December 6, 2023

Ms. Lisa Felice
Executive Secretary
Michigan Public Service Commission
7109 West Saginaw Highway
Post Office Box 30221
Lansing, MI 48909

RE: Case No. U-20889 – In the matter of the application of CONSUMERS ENERGY COMPANY for a Financing Order Approving the Securitization of Qualified Costs.

Dear Ms. Felice:

Enclosed for electronic filing in the above-captioned case, please find Consumers Energy Company's Form 8-K and Prospectus as filed with the U.S. Securities and Exchange Commission on December 6, 2023.

This is a paperless filing and is therefore being filed only in a PDF format. I have also enclosed a Proof of Service showing electronic service upon the parties.

Sincerely,

Bret Totoraitis
Digitally signed by Bret A. Totoraitis
Date: 2023.12.06 16:40:54 -05'00'

Bret A. Totoraitis
Phone: 517-788-0835
Email: bret.totoraitis@cmsenergy.com

cc: Parties per Attachment 1 to Proof of Service

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report: December 5, 2023
(Date of earliest event reported)

Commission file number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices and Telephone Number	IRS Employer Identification Number
1-5611	**CONSUMERS ENERGY COMPANY** (a Michigan corporation) One Energy Plaza Jackson, Michigan 49201 (517) 788-0550	**38-0442310**
333-274648-01	**CONSUMERS 2023 SECURITIZATION FUNDING LLC** (a Delaware limited liability company) c/o Consumers Energy Company One Energy Plaza Jackson, Michigan 49201 (517) 788-0550	**93-3119763**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting Material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
Consumers Energy Company Cumulative Preferred Stock, $100 par value: $4.50 Series	CMS-PB	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 8.01. Other Events

On December 5, 2023, Consumers Energy Company (the "Utility") and Consumers 2023 Securitization Funding LLC (the "Issuing Entity") entered into an Underwriting Agreement with Citigroup Global Markets Inc. as representative of the underwriters identified therein with respect to the purchase and sale of $646,000,000 of Senior Secured Securitization Bonds, Series 2023A (the "Securitization Bonds"), to be issued by the Issuing Entity pursuant to an Indenture and Series Supplement, each to be dated as of December 12, 2023, which are annexed hereto as Exhibits 4.1 and 4.2, respectively, to this Current Report on Form 8-K. The Securitization Bonds were offered pursuant to the prospectus dated December 5, 2023 (the "Prospectus"). In connection with the issuance of the Securitization Bonds, the Utility and/or the Issuing Entity also expect to enter into an Amended and Restated Limited Liability Company Agreement, Securitization Property Servicing Agreement, Securitization Property Purchase and Sale Agreement, Administration Agreement and Intercreditor Agreement, which are annexed hereto as Exhibits 3.2, 10.1, 10.2, 10.3 and 10.4, respectively, to this Current Report on 8-K.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits.

Exhibit No.	Description
1.1	Underwriting Agreement among Consumers 2023 Securitization Funding LLC, Consumers Energy Company and Citigroup Global Markets Inc. as representative for the Underwriters identified therein, dated December 5, 2023
3.2	Amended and Restated Limited Liability Company Agreement of Consumers 2023 Securitization Funding LLC, to be dated as of December 12, 2023
4.1	Indenture by and between Consumers 2023 Securitization Funding LLC and The Bank of New York Mellon, as indenture trustee, as a securities intermediary and as an account bank (including forms of the Senior Secured Securitization Bonds), to be dated as of December 12, 2023
4.2	Series Supplement by and between Consumers 2023 Securitization Funding LLC and The Bank of New York Mellon, as indenture trustee, to be dated as of December 12, 2023
10.1	Securitization Property Servicing Agreement between Consumers 2023 Securitization Funding LLC and Consumers Energy Company, as Servicer, to be dated as of December 12, 2023
10.2	Securitization Property Purchase and Sale Agreement between Consumers 2023 Securitization Funding LLC and Consumers Energy Company, as Seller, to be dated as of December 12, 2023
10.3	Administration Agreement between Consumers 2023 Securitization Funding LLC and Consumers Energy Company, as Administrator, to be dated as of December 12, 2023
10.4	Intercreditor Agreement among The Bank of New York Mellon, as trustee for the securitization bonds issued by Consumers 2014 Securitization Funding LLC, Consumers 2014 Securitization Funding LLC, The Bank of New York Mellon as indenture trustee, Consumers 2023 Securitization Funding LLC and Consumers Energy Company, to be dated as of December 12, 2023
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned thereunto duly authorized.

CONSUMERS ENERGY COMPANY

By: /s/ Rejji P. Hayes
Rejji P. Hayes
Executive Vice President and Chief Financial Officer

Dated: December 6, 2023

CONSUMERS 2023 SECURITIZATION FUNDING LLC

By: /s/ Rejji P. Hayes
Rejji P. Hayes
Executive Vice President

Dated: December 6, 2023

Exhibit 1.1

CONSUMERS 2023 SECURITIZATION FUNDING LLC

CONSUMERS ENERGY COMPANY

$646,000,000 SENIOR SECURED SECURITIZATION BONDS, SERIES 2023A

UNDERWRITING AGREEMENT

December 5, 2023

To the Representative named in Schedule I hereto
of the Underwriters named in Schedule II hereto

Ladies and Gentlemen:

1. Introduction. Consumers 2023 Securitization Funding LLC, a Delaware limited liability company (the "Issuer"), proposes to issue and sell $646,000,000 aggregate principal amount of its Senior Secured Securitization Bonds, Series 2023A (the "Bonds"), identified in Schedule I hereto. The Issuer and Consumers Energy Company, a Michigan corporation and the Issuer's direct parent ("Consumers"), hereby confirm their agreement with the several Underwriters (as defined below) as set forth herein.

The term "Underwriters" as used herein shall be deemed to mean the entity or several entities named in Schedule II hereto and any underwriter substituted as provided in Section 7 hereof, and the term "Underwriter" shall be deemed to mean any one of such Underwriters. If the entity identified in Schedule I hereto as representative (the "Representative") is the same as the entity or entities listed in Schedule II hereto, then the terms "Underwriters" and "Representative", as used herein, shall each be deemed to refer to such entity or entities. All obligations of the Underwriters hereunder are several and not joint. If more than one entity is named in Schedule I hereto as Representatives, any action under or in respect of this underwriting agreement ("Underwriting Agreement") may be taken by such entities jointly as the Representative or by one of the entities acting on behalf of the Representative and such action will be binding upon all the Underwriters.

2. Description of the Bonds. The Bonds will be issued pursuant to an indenture to be dated as of December 12, 2023, as supplemented by one or more series supplements thereto (as so supplemented, the "Indenture"), between the Issuer and The Bank of New York Mellon, as trustee (the "Indenture Trustee"). The Bonds will be senior secured obligations of the Issuer and will be supported by securitization property (as more fully described in the Financing Order (as defined below) relating to the Bonds, "Securitization Property"), to be sold to the Issuer by Consumers pursuant to the Securitization Property Purchase and Sale Agreement, to be dated as of December 12, 2023, between Consumers and the Issuer (the "Sale Agreement"). The Securitization Property securing the Bonds will be serviced pursuant to the Securitization Property Servicing Agreement, to be dated as of December 12, 2023, between Consumers, as servicer (the "Servicer"), and the Issuer, as owner of the Securitization Property sold to it pursuant to the Sale Agreement (the "Servicing Agreement").

3. Representations and Warranties of the Issuer. The Issuer represents and warrants to the several Underwriters that:

(a) The Issuer and the Bonds meet the requirements for the use of Form SF-1 under the Securities Act of 1933, as amended (the "Securities Act"). The Issuer, in its capacity as co-registrant and issuing entity with respect to the Bonds, and Consumers, in its capacity as co-registrant and as sponsor for the Issuer, have filed with the Securities and Exchange Commission (the "Commission") a registration statement on such form on September 22, 2023 (Registration Nos. 333-274648 and 333-274648-01), as amended by Amendment No. 1 thereto filed November 13, 2023, including a prospectus, for the registration under the Securities Act of up to $646,000,000 aggregate principal amount of the Bonds. Such registration statement, as amended ("Registration Statement Nos. 333-274648 and 333-274648-01"), has been declared effective by the Commission and no stop order suspending such effectiveness has been issued under the Securities Act and no proceedings for that purpose have been instituted or are pending or, to the knowledge of the Issuer, threatened by the Commission. References herein to the term "Registration Statement" shall be deemed to refer to Registration Statement Nos. 333-274648 and 333-274648-01 and any information in a prospectus, as amended or supplemented as of the Effective Date (as defined below) deemed or retroactively deemed to be a part thereof pursuant to Rule 430A under the Securities Act ("Rule 430A") that has not been superseded or modified. "Registration Statement" without reference to a time means the Registration Statement as of the Applicable Time (as defined below), which the parties agree is the time of the first contract of sale (as used in Rule 159 under the Securities Act) for the Bonds, and shall be considered the "Effective Date" of the Registration Statement relating to the Bonds. Information contained in a form of prospectus (as amended or supplemented as of the Effective Date) that is deemed retroactively to be a part of the Registration Statement pursuant to Rule 430A shall be considered to be included in the Registration Statement as of the time specified in Rule 430A. The final prospectus relating to the Bonds, as filed with the Commission pursuant to Rule 424(b) under the Securities Act, is referred to herein as the "Final Prospectus"; and the most recent preliminary prospectus that omitted information to be included upon pricing in a form of prospectus filed with the Commission pursuant to Rule 424(b) under the Securities Act and that was used after the initial effectiveness of the Registration Statement and prior to the Applicable Time (as defined below) is referred to herein as the "Pricing Prospectus". The Pricing Prospectus and the Issuer Free Writing Prospectuses identified in Section B of Schedule III hereto and the data used to produce the CDI InTex file. (XCNSF23.edi)(the "Company InTex File Information"), considered together, are referred to herein as the "Pricing Package".

(b) At (i) the time of filing Registration Statement Nos. 333-274648 and 333-274648-01, (ii) the earliest time thereafter that the Issuer or another offering participant made a bona fide offer (within the meaning of Rule 164(h)(2) under the Securities Act) of the Bonds and (iii) at the date hereof, the Issuer was not and is not an "ineligible issuer," as defined in Rule 405 under the Securities Act.

(c) At the time the Registration Statement initially became effective, at the time of each amendment (whether by post-effective amendment, incorporated report or form of prospectus) and on the Effective Date relating to the Bonds, the Registration Statement fully complied, and the Final Prospectus, both as of its date and at the Closing Date, and the Indenture, at the Closing Date, will fully comply in all material respects with the applicable provisions of the Securities Act and the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), and, in each case, the applicable instructions, rules and regulations of the Commission thereunder; the Registration Statement, at each of the aforementioned dates, did not and will not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading; and the Final Prospectus, both as of its date and at the Closing Date, will not include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, that the foregoing representations and warranties in this Section 3(c) shall not apply to statements or omissions made in reliance upon and in conformity with any Underwriter Information (as defined below) or to any statements in or omissions from any Statements of Eligibility on Form T-1 (or amendments thereto) of the Indenture Trustee under the Indenture filed as exhibits to the Registration Statement or to any statements or omissions made in the Registration Statement or the Final Prospectus relating to The Depository Trust Company's book-entry system that are based solely on information contained in published reports of The Depository Trust Company.

(d) As of its date, at the Applicable Time and on the date of its filing, if applicable, the Pricing Prospectus, each Issuer Free Writing Prospectus (as defined below) and the Company InTex File Information, did not and do not include any untrue statement of a material fact, and the Pricing Prospectus did not and does not, and each Issuer Free Writing Prospectus and the Company InTex File Information, when considered together with the Pricing Prospectus, did not and do not, omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading (except that the principal amount of the Bonds, the tranches, the proceeds to the Issuer, underwriter allocation for each tranche, selling concession, reallowance discounts, issuance date, scheduled payment dates, the initial principal balances, the scheduled final payment dates, the final maturity dates, the expected weighted average lives and related sensitivity data, the expected amortization schedule and the expected sinking fund schedule described in the Pricing Prospectus were subject to completion or change based on market conditions, the interest rate, price to the public and underwriting discounts and commissions for each tranche as well as certain other information dependent on the foregoing and other pricing-related information were not included in the Pricing Prospectus). The Pricing Package, at the Applicable Time, did not, and, at all subsequent times through the completion of the offer and the sale of the Bonds on the Closing Date, will not, include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances in which they are made, not misleading. The two preceding sentences do not apply to statements in or omissions from the Pricing Prospectus, or any Issuer Free Writing Prospectus in reliance upon and in conformity with any Underwriter Information. "Issuer Free Writing Prospectus" means any "issuer free writing prospectus", as defined in Rule 433(h) under the Securities Act, relating to the Bonds, in the form filed or required to be filed with the Commission or, if not required to be filed, in the form required to be retained in the Issuer's records pursuant to Rule 433(g) under the Securities Act. References to the term "Free Writing Prospectus" shall mean a free writing prospectus, as defined in Rule 405 under the Securities Act. References to the term "Applicable Time" 12:34 PM, New York City time, on the date hereof, except that if, subsequent to such Applicable Time, the Issuer, Consumers and the Underwriters have determined that the information included in the Pricing Prospectus or any Issuer Free Writing Prospectus issued prior to such Applicable Time included an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading and the Issuer, Consumers and the Underwriters have agreed to terminate the old purchase contracts and have entered into new purchase contracts with purchasers of the Bonds, then "Applicable Time" will refer to the first of such times when such new purchase contracts are entered into. The Issuer represents, warrants and agrees that it has treated and agrees that it will treat each of the free writing prospectuses listed on Schedule III hereto as an Issuer Free Writing Prospectus, and that each such Issuer Free Writing Prospectus has fully complied and will fully comply with the applicable requirements of Rules 164 and 433 under the Securities Act, including timely Commission filing where required, legending and record keeping.

(e) Each Issuer Free Writing Prospectus, as of its issue date and at all subsequent times through the completion of the offer and sale of the Bonds on the Closing Date or until any earlier date that the Issuer or Consumers notified or notifies the Representative as described in the next sentence, did not, does not and will not, include any information that conflicted, conflicts or will conflict with the information then contained in the Registration Statement. If at any time following issuance of an Issuer Free Writing Prospectus an event or development has occurred or occurs, the result of which is that such Issuer Free Writing Prospectus conflicts or would conflict with the information then contained in the Registration Statement or includes or would include an untrue statement of a material fact or, when considered together with the Pricing Package, omits or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances prevailing at that subsequent time, not misleading, (i) Consumers or the Issuer has promptly notified or will promptly notify the Representative and (ii) Consumers or the Issuer has promptly amended or will promptly amend or supplement such Issuer Free Writing Prospectus to eliminate or correct such conflict, untrue statement or omission. The foregoing two sentences do not apply to statements in or omissions from any Issuer Free Writing Prospectus in reliance upon and in conformity with any Underwriter Information.

(f) The Issuer has been duly formed and is validly existing as a limited liability company in good standing under the Delaware Limited Liability Company Act, as amended, with full limited liability company power and authority to execute, deliver and perform its obligations under this Underwriting Agreement, the Bonds, the Sale Agreement, the bill of sale contemplated by the Sale Agreement, the Servicing Agreement, the intercreditor agreement to be dated as of the Closing Date among the Issuer, Consumers, the Indenture Trustee and the indenture trustee for Consumers' existing securitization, among others (the "Intercreditor Agreement"), the Indenture, the amended and restated limited liability company agreement of the Issuer to be dated as of the Closing Date (the "LLC Agreement"), and the administration agreement to be dated as of the Closing Date between the Issuer and Consumers (the "Administration Agreement") (collectively, the "Issuer Documents") and to own its properties and conduct its business as described in the Registration Statement and the Pricing Prospectus; the Issuer has been duly qualified as a foreign limited liability company for the transaction of business and is in good standing under the laws of each jurisdiction in which it owns or leases properties or conducts any business so as to require such qualification, except where failure to so qualify or to be in good standing would not have a material adverse effect on the business, properties or financial condition of the Issuer; the Issuer has conducted and will conduct no business in the future that would be inconsistent with the description of the Issuer's business set forth in the Pricing Prospectus; the Issuer is not a party to or bound by any agreement or instrument other than the Issuer Documents and other agreements or instruments incidental to its formation, the rating of the Bonds and the engagement of professionals such as lawyers, accountants and the trustee entered into in connection with the issuance of the Bonds; the Issuer has no material liabilities or obligations other than those arising out of the transactions contemplated by the Issuer Documents and as described in the Pricing Prospectus; the limited liability company interests of the Issuer have been issued only to Consumers; and Consumers is the beneficial owner of all such limited liability company interests. Based on current law, the Issuer is not classified as an association taxable as a corporation for United States federal income tax purposes.

(g) The issuance and sale of the Bonds by the Issuer, the purchase of the Securitization Property by the Issuer from Consumers and the consummation of the transactions herein contemplated by the Issuer and the fulfillment of the terms hereof on the part of the Issuer to be fulfilled will not result in a breach of any of the terms or provisions of, or constitute a default under (i) the Issuer's certificate of formation or limited liability company agreement (collectively, the "Issuer Charter Documents"), (ii) any indenture, mortgage, deed of trust or other agreement or instrument to which the Issuer is now a party or (iii) any existing statute or any order, rule or regulation of any court, domestic or foreign, having jurisdiction over the Issuer or any of its properties or assets.

(h) This Underwriting Agreement has been duly authorized, executed and delivered by the Issuer, which has the necessary limited liability company power and authority to execute, deliver and perform its obligations under this Underwriting Agreement.

(i) The Issuer (i) is not in violation of the Issuer Charter Documents, (ii) is not in default and no event has occurred which, with notice or lapse of time or both, would constitute such a default, in the due performance or observance of any term, covenant or condition contained in any indenture, mortgage, deed of trust or other agreement or instrument to which it is a party or by which it is bound or to which any of its properties is subject, except for any such defaults that would not, individually or in the aggregate, have a material adverse effect on its business, property or financial condition, and (iii) is not in violation of any law, ordinance, governmental rule, regulation or court decree to which it or its property may be subject, except for any such violations that would not, individually or in the aggregate, have a material adverse effect on its business, property or financial condition.

(j) The Indenture has been duly authorized by the Issuer, and, on the Closing Date, will have been duly executed and delivered by the Issuer and will be a valid and binding instrument, enforceable against the Issuer in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium or other similar laws relating to or affecting creditors' or secured parties' rights generally and by general principles of equity (including concepts of materiality, reasonableness, good faith and fair dealing), regardless of whether considered in a proceeding in equity or at law; and limitations on enforceability of rights to indemnification by federal or state securities laws or regulations or by public policy. On the Closing Date, the Indenture will (i) comply as to form in all material respects with the requirements of the Trust Indenture Act and (ii) conform in all material respects to the description thereof in the Pricing Prospectus and Final Prospectus.

(k) The Bonds have been duly authorized by the Issuer for issuance and sale to the Underwriters pursuant to this Underwriting Agreement and, when executed by the Issuer and authenticated by the Indenture Trustee in accordance with the Indenture and delivered to the Underwriters against payment therefor in accordance with the terms of this Underwriting Agreement, will constitute valid and binding obligations of the Issuer entitled to the benefits of the Indenture and enforceable against the Issuer in accordance with their terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium or other similar laws relating to or affecting creditors' or secured parties' rights generally and by general principles of equity (including concepts of materiality, reasonableness, good faith and fair dealing), regardless of whether considered in a proceeding in equity or at law; and limitations on enforceability of rights to indemnification by federal or state securities laws or regulations or by public policy, and the Bonds, when issued, will conform in all material respects to the description thereof in the Pricing Prospectus and Final Prospectus. The Issuer has all requisite limited liability company power and authority to issue, sell and deliver the Bonds in accordance with and upon the terms and conditions set forth in this Underwriting Agreement and in the Pricing Prospectus and Final Prospectus.

(l) There is no litigation or governmental proceeding to which the Issuer is a party or to which any property of the Issuer is subject or which is pending or, to the knowledge of the Issuer, threatened against the Issuer that could reasonably be expected to, individually or in the aggregate, result in a material adverse effect on the Issuer's business, property or financial condition.

(m) No approval, authorization, consent or order of any governmental regulatory body (except such as have been already obtained, including, in this regard, the Registration Statement and the financing order issued to Consumers by the Michigan Public Service Commission ("MPSC") on December 17, 2020 (the "Financing Order"), and other than in connection or in compliance with the provisions of applicable blue sky laws or securities laws of any state, as to which the Issuer makes no representations or warranties), is legally required for the issuance and sale by the Issuer of the Bonds.

(n) The Issuer is not and, after giving effect to the sale and issuance of the Bonds and the application of the proceeds thereof as described in the Pricing Prospectus and the Final Prospectus, will not be an "investment company" within the meaning of the Investment Company Act of 1940, as amended (the "1940 Act").

(o) Relying on an exclusion or exemption from the definition of "investment company" under Rule 3a-7 promulgated under the 1940 Act, although additional exclusions or exemptions may be available, the Issuer is not a "covered fund" for purposes of the regulations adopted to implement Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

(p) The nationally recognized accounting firm which has performed certain procedures with respect to certain statistical and structural information contained in the Pricing Prospectus and the Final Prospectus, is a firm of independent public accountants with respect to the Issuer.

(q) Each of the Sale Agreement, the Servicing Agreement, the Administration Agreement and the Intercreditor Agreement will have been duly authorized by the Issuer on or prior to the Closing Date and, when executed and delivered by the Issuer and the other parties thereto on or prior to the Closing Date, will constitute a valid and legally binding obligation of the Issuer, enforceable against the Issuer in accordance with its respective terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium or other similar laws relating to or affecting creditors' or secured parties' rights generally and by general principles of equity (including concepts of materiality, reasonableness, good faith and fair dealing), regardless of whether considered in a proceeding in equity or at law, and limitations on enforceability of rights to indemnification by federal or state securities laws or regulations or by public policy.

(r) There are no Michigan transfer taxes related to the purchase of the Securitization Property by the Issuer from Consumers, the pledge thereof by the Issuer to the Indenture Trustee or the issuance and sale of the Bonds to the Underwriters pursuant to this Underwriting Agreement required to be paid at or prior to the Closing Date by the Issuer.

(s) The Issuer has complied with the written representations, acknowledgements and covenants (the "17g-5 Representations") relating to compliance with Rule 17g-5 under the Securities Exchange Act of 1934, as amended (the "Exchange Act") set forth in (i) the undertaking letter, dated as of September 25, 2023, by the Issuer to Moody's (as defined below) and (ii) the undertaking letter, dated October 10, 2023, from the Issuer to S&P (as defined below, and together with Moody's, the "Rating Agencies") (collectively, the "Rating Agency Letters"), other than (x) any noncompliance of the 17g-5 Representations that would not have a material adverse effect on the rating of the Bonds or the Bonds or (y) any noncompliance arising from the breach by an Underwriter of the representations and warranties and covenants set forth in Section 13 hereof.

(t) The Issuer will comply, and has complied, in all material respects, with its diligence and disclosure obligations in respect to the Bonds under Rule 193 under the Securities Act and Items 1111(a)(7) and 1111(a)(8) of Regulation AB.

(u) The Bonds are not subject to the risk retention requirements imposed by Section 15G of the Exchange Act.

4. Representations and Warranties of Consumers. Consumers represents and warrants to the several Underwriters that:

(a) Consumers, in its capacity as co-registrant and sponsor with respect to the Bonds, meets the requirements for the use of Form SF-1 under the Securities Act and has prepared and filed with the Commission (along with the Issuer, as co-registrant and issuing entity with respect to the Bonds) Registration Statement Nos. 333-274648 and 333-274648-01 for the registration under the Securities Act of up to $646,000,000 aggregate principal amount of the Bonds. Registration Statement Nos. 333-274648 and 333-274648-01 has been declared effective by the Commission, no stop order suspending such effectiveness has been issued under the Securities Act, and no proceedings for that purpose have been instituted or are pending or, to the knowledge of Consumers, threatened by the Commission.

(b) (i) At the earliest time after the filing of the Registration Statement Nos. 333-274648 and 333-274648-01, that the Issuer or another offering participant made a bona fide offer (within the meaning of Rule 164(h)(2) under the Securities Act) of the Bonds and (ii) at the date hereof, Consumers was not and is not an "ineligible issuer", as defined in Rule 405 under the Securities Act.

(c) At the time the Registration Statement initially became effective, at the time of each amendment (whether by post-effective amendment, incorporated report or form of prospectus) and on the Effective Date relating to the Bonds, the Registration Statement fully complied, and the Final Prospectus, both as of its date and at the Closing Date, and the Indenture, at the Closing Date, will fully comply in all material respects with the applicable provisions of the Securities Act and the Trust Indenture Act, and, in each case, the applicable instructions, rules and regulations of the Commission thereunder; the Registration Statement, at each of the aforementioned dates, did not and will not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading; and the Final Prospectus, both as of its date and at the Closing Date, will not include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, that the foregoing representations and warranties in this paragraph (c) shall not apply to statements or omissions made in reliance upon and in conformity with any Underwriter Information or to any statements in or omissions from any Statements of Eligibility on Form T-1 (or amendments thereto) of the Indenture Trustee under the Indenture filed as exhibits to the Registration Statement or to any statements or omissions made in the Registration Statement or the Final Prospectus relating to The Depository Trust Company's book-entry system that are based solely on information contained in published reports of The Depository Trust Company.

(d) As of its date, at the Applicable Time and on the date of its filing, if applicable, the Pricing Prospectus, each Issuer Free Writing Prospectus and the Company InTex File Information did not and do not include any untrue statement of a material fact, and the Pricing Prospectus did not and does not, and each Issuer Free Writing Prospectus and the Company InTex File Information, when considered together with the Pricing Prospectus, did not and do not, omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading (except that the principal amount of the Bonds, the tranches, the proceeds to the Issuer, underwriter allocation for each tranche, selling concession, reallowance discounts, issuance date, scheduled payment dates, the initial principal balances, the scheduled final payment dates, the final maturity dates, the expected weighted average lives and related sensitivity data, the expected amortization schedule and the expected sinking fund schedule described in the Pricing Prospectus were subject to completion or change based on market conditions, and the interest rate, price to the public and underwriting discounts and commissions for each tranche as well as certain other information dependent on the foregoing and other pricing-related information were not included in the Pricing Prospectus). The Pricing Package, at the Applicable Time, did not, and, at all subsequent times through the completion of the offer and the sale of the Bonds on the Closing Date, will not, include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The two preceding sentences do not apply to statements in or omissions from the Pricing Prospectus or any Issuer Free Writing Prospectus in reliance upon and in conformity with any Underwriter Information. Consumers represents, warrants and agrees that it has treated and agrees that it will treat each of the free writing prospectuses listed on Schedule III hereto as an Issuer Free Writing Prospectus, and that each such Issuer Free Writing Prospectus has fully complied and will fully comply with the applicable requirements of Rules 164 and 433 under the Securities Act, including timely Commission filing where required, legending and record keeping.

(e) Each Issuer Free Writing Prospectus, as of its issue date and at all subsequent times through the completion of the offer and sale of the Bonds on the Closing Date or until any earlier date that the Issuer or Consumers notified or notifies the Representative as described in the next sentence, did not, does not and will not, include any information that conflicted, conflicts or will conflict with the information then contained in the Registration Statement. If at any time following issuance of an Issuer Free Writing Prospectus an event or development has occurred or occurs, the result of which is that such Issuer Free Writing Prospectus conflicts or would conflict with the information then contained in the Registration Statement or includes or would include an untrue statement of a material fact or, when considered together with the Pricing Prospectus, omits or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances prevailing at that subsequent time, not misleading, (i) Consumers or the Issuer will have promptly notified or will promptly notify the Representative and (ii) Consumers or the Issuer will have promptly amended or will promptly amend or supplement such Issuer Free Writing Prospectus to eliminate or correct such conflict, untrue statement or omission. The foregoing two sentences do not apply to statements in or omissions from any Issuer Free Writing Prospectus in reliance upon and in conformity with any Underwriter Information.

(f) Consumers has been duly organized and is validly existing as a corporation in good standing under the laws of the State of Michigan and has all requisite authority to own or lease its properties and conduct its business as described in the Pricing Prospectus and the Final Prospectus and to consummate the transactions contemplated hereby, and is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its business as described in the Pricing Prospectus and the Final Prospectus or its ownership or leasing of property requires such qualification, except to the extent that the failure to be so qualified or be in good standing would not have a material adverse effect on Consumers and its subsidiaries taken as a whole, and has all requisite power and authority to sell Securitization Property as described in the Pricing Prospectus and to execute, deliver and otherwise perform its obligation under any Issuer Document to which it is a party. Consumers is the beneficial owner of all of the limited liability company interests of the Issuer.

(g) Each significant subsidiary (as defined in Rule 405 under the Securities Act) of Consumers has been duly organized and is validly existing and in good standing under the laws of the jurisdiction of its organization, has all requisite authority to own or lease its properties and conduct its business and is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its business or its ownership or leasing of property requires such qualification, except to the extent that the failure to be so qualified or be in good standing would not have a material adverse effect on Consumers and its subsidiaries taken as a whole.

(h) The transfer by Consumers of all of its rights and interests under the Financing Order relating to the Bonds to the Issuer and the consummation of the transactions herein contemplated by Consumers, and the fulfillment of the terms hereof on the part of Consumers to be fulfilled, will not conflict with, result in a breach of any of the terms or provisions of, or constitute a default or require the consent of any party under, (i) Consumers' Restated Articles of Incorporation or Amended and Restated Bylaws (collectively, the "Consumers Charter Documents"), (ii) any indenture, mortgage, deed of trust or other material agreement or instrument to which Consumers is now a party or by which Consumers is bound, or (iii) any existing applicable law, rule or regulation or any judgment, order or decree of any government, governmental instrumentality or court, domestic or foreign, having jurisdiction over Consumers or any of its properties or assets.

(i) This Underwriting Agreement has been duly authorized, executed and delivered by Consumers, and Consumers has full corporate power and authority to execute, deliver and perform its obligations under this Underwriting Agreement.

(j) Consumers (i) is not in violation of the Consumers Charter Documents, (ii) is not in default and no event has occurred which, with notice or lapse of time or both, would constitute such a default, in the due performance or observance of any term, covenant or condition contained in any indenture, mortgage, deed of trust or other material agreement or instrument to which it is a party or by which it is bound or to which any of its properties is subject, except for any such defaults that would not, individually or in the aggregate, have a material adverse effect on Consumers and its subsidiaries considered as a whole, or (iii) is not in violation of any law, ordinance, governmental rule, regulation or court decree to which it or its property may be subject, except for any such violations that would not, individually or in the aggregate, have a material adverse effect on Consumers and its subsidiaries considered as a whole.

(k) Except as set forth or contemplated in the Pricing Prospectus, there is no litigation or governmental proceeding to which Consumers or any of its subsidiaries is a party or to which any property of Consumers or any of its subsidiaries is subject or which is pending or, to the knowledge of Consumers, threatened against Consumers or any of its subsidiaries that would reasonably be expected to, individually or in the aggregate, result in a material adverse effect on the Issuer's business, property, or financial condition or on Consumers' ability to perform its obligations under the Sale Agreement, the Administration Agreement and the Servicing Agreement.

(l) No approval, authorization, consent or order of any governmental regulatory body (except such as have been already obtained, including, in this regard, the Registration Statement and the Financing Order, and other than in connection or in compliance with the provisions of applicable blue-sky laws or securities laws of any state, as to which Consumers makes no representations or warranties), is legally required for the issuance and sale by the Issuer of the Bonds.

(m) Consumers has implemented and maintains in effect policies, procedures and/or practices designed to ensure, in its reasonable judgment, compliance in all material respects by Consumers, its subsidiaries and their respective directors, officers, employees and agents with (i) all laws, rules and regulations of any jurisdiction applicable to Consumers or any of its subsidiaries from time to time concerning or relating to bribery or corruption ("Anti-Corruption Laws") and (ii) all applicable economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (A) the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of Treasury ("OFAC") or the U.S. Department of State, or (B) the United Nations Security Council, the European Union, any European Union member state or His Majesty's Treasury of the United Kingdom (collectively, "Sanctions"). Consumers, its subsidiaries and their respective officers and employees, and, to the knowledge of Consumers, its directors and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. None of Consumers, any of its subsidiaries or, to the knowledge of Consumers or any such subsidiary, any of their respective directors, officers or employees, is (1) a person or entity listed in any Sanctions-related list of designated persons or entities maintained by OFAC, the U.S. Department of State, the United Nations Security Council, the European Union or any European Union member state, (2) a person or entity operating, organized or resident in a country, region or territory that is itself the subject or target of any Sanctions (at the time of this Agreement, including, without limitation, Crimea, Cuba, Iran, North Korea, Russia, Syria, the non-government controlled areas of Zaporizhzhia and Kherson, the so-called Donetsk People's Republic, the so-called Luhansk People's Republic or any other Covered Region of Ukraine identified pursuant to Executive Order 14065) (each, a "Sanctioned Country") or (3) a person or entity owned or controlled by any such person or persons or entity or entities described in the foregoing clause (1) or clause (2) (each, a "Sanctioned Person"). No transaction contemplated by this Agreement will violate any Anti-Corruption Law or applicable Sanctions.

(n) Consumers will maintain in effect and enforce policies, procedures and/or practices designed to ensure, in its reasonable judgment, compliance in all material respects by Consumers, its subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions.

(o) Consumers shall not directly or knowingly indirectly use, and shall procure that its subsidiaries and its or their respective directors, officers, employees and agents shall not directly or knowingly indirectly use, the proceeds of the issuance and sale of the Bonds (i) in furtherance of an offer, payment, promise to pay or authorization of the payment or giving of money, or anything else of value, to any person or entity in violation of any Anti-Corruption Laws, (ii) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, to the extent such activities, businesses or transaction would be prohibited by Sanctions, or (iii) in any manner that would result in the violation of any Sanctions applicable to any party hereto. Notwithstanding the foregoing, Consumers' and its subsidiaries' provision of utility services in the ordinary course of business in accordance with applicable law, including Anti-Corruption Laws and applicable Sanctions, shall not constitute a violation of this Section 4(o).

(p) Consumers is not, and, after giving effect to the sale and issuance of the Bonds and the application of the proceeds thereof as described in the Pricing Prospectus and the Final Prospectus, neither Consumers nor the Issuer will be, an "investment company" within the meaning of the 1940 Act.

(q) Relying on an exclusion or exemption from the definition of "investment company" under Rule 3a-7 promulgated under the 1940 Act, although additional exclusions or exemptions may be available, Consumers is not a "covered fund" for purposes of the regulations adopted to implement Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

(r) Each of the Sale Agreement, the Servicing Agreement, the Administration Agreement, the LLC Agreement and the Intercreditor Agreement will have been duly authorized by Consumers on or prior to the Closing Date, and when executed and delivered by Consumers and the other parties thereto, will constitute a valid and legally binding obligation of Consumers, enforceable against Consumers in accordance with its respective terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium or other similar laws relating to or affecting creditors' or secured parties' rights generally and by general principles of equity (including concepts of materiality, reasonableness, good faith and fair dealing), regardless of whether considered in a proceeding in equity or at law, and limitations on enforceability of rights to indemnification by federal or state securities laws or regulations or by public policy.

(s) There are no Michigan transfer taxes related to the transfer of the Securitization Property by Consumers to the Issuer or the pledge thereof by the Issuer to the Indenture Trustee or the issuance and sale of the Bonds to the Underwriters pursuant to this Underwriting Agreement required to be paid at or prior to the Closing Date by Consumers.

(t) The nationally recognized accounting firm referenced in Section 3(p) and 9(p) is a firm of independent public accountants with respect to Consumers as required by the Securities Act and the rules and regulations of the Commission thereunder.

(u) Consumers, in its capacity as sponsor with the respect to the Bonds, has caused the Issuer to comply with the 17g-5 Representations, other than (x) any noncompliance of the 17g-5 Representations that would not have a material adverse effect on the rating of the Bonds or the Bonds or (y) any noncompliance arising from the breach by an Underwriter of the representations and warranties and covenants set forth in Section 13 hereof.

(v) Consumers will comply, and has complied, in all material respects, with its diligence and disclosure obligations in respect to the Bonds under Rule 193 under the Securities Act and Items 1111(a)(7) and 1111(a)(8) of Regulation AB.

5. Investor Communications.

(a) The Issuer and Consumers each represents and agrees that, unless it has obtained or obtains the prior consent of the Representative, and each Underwriter represents and agrees that, unless it has obtained or obtains the prior consent of the Issuer and Consumers and the Representative, it has not made and will not make any offer relating to the Bonds that would constitute an Issuer Free Writing Prospectus, or that would otherwise constitute a "free writing prospectus," required to be filed by the Issuer or Consumers, as applicable, with the Commission or retained by the Issuer or Consumers, as applicable, under Rule 433 under the Securities Act; provided that the prior written consent of the parties hereto shall be deemed to have been given in respect of the Term Sheets (as defined below) and each other Free Writing Prospectus specifically identified in Schedule III hereto.

(b) Consumers and the Issuer (or the Representative at the direction of the Issuer) will prepare a final pricing term sheet relating to the Bonds (the "Pricing Term Sheet"), containing only information that describes the final pricing terms of the Bonds and otherwise in a form consented to by the Representative, and will file the Pricing Term Sheet within the period required by Rule 433(d)(5)(ii) under the Securities Act following the date such final pricing terms have been established for all tranches of the offering of the Bonds. The Pricing Term Sheet is an Issuer Free Writing Prospectus for purposes of this Underwriting Agreement.

(c) Each Underwriter may provide to investors one or more of the Free Writing Prospectuses relating to offering of the Bonds, including the preliminary term sheet, as filed by the Issuer with the Commission on November 29, 2023 (the "Preliminary Term Sheet") and the Pricing Term Sheet (collectively, the "Term Sheets"), subject to the following conditions:

(i) Unless preceded or accompanied by a prospectus satisfying the requirements of Section 10(a) of the Securities Act, an Underwriter shall not convey or deliver any Written Communication (as defined herein) to any person or entity in connection with the initial offering of the Bonds, unless such Written Communication (i) is made in reliance on Rule 134 under the Securities Act, (ii) constitutes a prospectus satisfying the requirements of Rule 430A under the Securities Act, (iii) constitutes "ABS informational and computational material" as defined in Item 1101 of Regulation AB, (iv) is an Issuer Free Writing Prospectus listed on Schedule III hereto or (v) is an Underwriter Free Writing Prospectus (as defined below). "Written Communication" has the same meaning as that term is defined in Rule 405 under the Securities Act.

An "Underwriter Free Writing Prospectus" means any free writing prospectus that contains only preliminary or final terms of the Bonds and is not required to be filed by Consumers or the Issuer pursuant to Rule 433 under the Securities Act and that contains information substantially the same as the information contained in the Pricing Prospectus or Pricing Term Sheet (including, without limitation, (i) the tranche, size, ratings, price, CUSIP, coupon, yield, spread, benchmark, status and/or legal maturity date of the Bonds, the weighted average life, expected first payment dates, expected final scheduled payment date, trade date, settlement date, transaction parties, credit enhancement, logistical details related to the location and timing of access to the roadshow, ERISA eligibility, legal investment status and payment window in respect of one or more tranches of Bonds and (ii) a column or other entry showing the status of the subscriptions for the Bonds, both for the Bonds as a whole and for each Underwriter's retention, and/or expected pricing parameters of the Bonds).

(ii) Each Underwriter shall comply with all applicable laws and regulations in connection with the use of Free Writing Prospectuses and Term Sheets, including but not limited to Rules 164 and 433 under the Securities Act.

(iii) All Free Writing Prospectuses provided to investors, whether or not filed with the Commission, shall bear a legend including substantially the following statement:

Consumers 2023 Securitization Funding LLC and Consumers Energy Company have filed a registration statement (including a prospectus) with the Securities and Exchange Commission ("SEC") for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents Consumers 2023 Securitization Funding LLC and Consumers Energy Company have filed with the SEC for more complete information about Consumers 2023 Securitization Funding LLC and the offering. You may get these documents for free by visiting EDGAR on the SEC web site at www.sec.gov. Alternatively, Consumers 2023 Securitization Funding LLC, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling Citigroup Global Markets Inc. toll free at 1-800-831-9146.

The Issuer and the Representative shall have the right to require additional specific legends or notations to appear on any Free Writing Prospectus, the right to require changes regarding the use of terminology and the right to determine the types of information appearing therein with the approval of, in the case of the Issuer, the Representative and, in the case of the Representative, the Issuer (which in either case shall not be unreasonably withheld).

(iv) Each Underwriter covenants with the Issuer and Consumers that after the Final Prospectus is available such Underwriter shall not distribute any written information concerning the Bonds to an investor unless such information is preceded or accompanied by the Final Prospectus or by notice to the investor that the Final Prospectus is available for free by visiting EDGAR on the Commission website at www.sec.gov.

(v) Each Underwriter covenants that if an Underwriter shall use an Underwriter Free Writing Prospectus that contains information in addition to (x) "issuer information", including information with respect to Consumers, as defined in Rule 433(h)(2) under the Securities Act or (y) the information in the Pricing Package, the liability arising from its use of such additional information shall be the sole responsibility of the Underwriter using such Underwriting Free Writing Prospectus unless the Underwriter Free Writing Prospectus (or any information contained therein) was consented to in advance by Consumers; provided, however, that, for the avoidance of doubt, this clause (v) shall not be interpreted as tantamount to the indemnification obligations contained in Section 11(b) hereof.

6. Purchase and Sale. On the basis of the representations and warranties herein contained, and subject to the terms and conditions herein set forth, the Issuer shall sell to each of the Underwriters, and each Underwriter shall purchase from the Issuer, at the time and place herein specified, severally and not jointly the principal amount of the Bonds set forth opposite such Underwriter's name in Schedule II hereto, with the aggregate purchase price set forth in Schedule I. The Underwriters agree to make a public offering of the Bonds. The Issuer shall pay (in the form of a discount to the principal amount of the offered Bonds) to the Underwriters a commission equal to $2,584,000.

7. Time and Place of Closing. Delivery of the Bonds against payment of the aggregate purchase price therefor by wire transfer in federal funds shall be made at the place, on the date and at the time specified in Schedule I hereto, or at such other place, time and date as shall be agreed upon in writing by the Issuer and the Representative. The hour and date of such delivery and payment are herein called the "Closing Date". The Bonds shall be delivered to The Depository Trust Company ("DTC") or to The Bank of New York Mellon, as custodian for DTC, in fully registered global form registered in the name of Cede & Co., for the respective accounts specified by the Representative not later than the close of business on the business day preceding the Closing Date or such other time as may be agreed upon by the Issuer and the Representative. The Issuer agrees to make the Bonds available to the Representative for checking purposes not later than 1:00 P.M. New York City Time on the last business day preceding the Closing Date at the place specified for delivery of the Bonds in Schedule I hereto or at such other place as the Issuer may specify.

If any Underwriter shall fail or refuse to purchase and pay for the aggregate principal amount of Bonds that such Underwriter has agreed to purchase and pay for hereunder, the Issuer shall promptly give notice to the other Underwriters of the default of such Underwriter, and the other Underwriters shall have the right within 36 hours after the receipt of such notice to determine to purchase, or to procure one or more others, who are members of the Financial Industry Regulatory Authority, Inc. ("FINRA") (or, if not members of FINRA, who are not eligible for membership in FINRA and who agree (i) to make no sales within the United States, its territories or its possessions or to persons or entities who are citizens thereof or residents therein and (ii) in making sales to comply with FINRA's Conduct Rules) and satisfactory to the Issuer, to purchase, upon the terms herein set forth, the aggregate principal amount of Bonds that the defaulting Underwriter had agreed to purchase. If any non-defaulting Underwriter or Underwriters shall determine to exercise such right, such Underwriter or Underwriters shall give written notice to the Issuer of the determination in that regard within 36 hours after receipt of notice of any such default, and thereupon the Closing Date shall be postponed for such period, not exceeding three business days, as the Issuer shall determine. If in the event of such a default no non-defaulting Underwriter shall give such notice, then this Underwriting Agreement may be terminated by the Issuer, upon like notice given to the non-defaulting Underwriters, within a further period of 36 hours. If in such case the Issuer shall not elect to terminate this Underwriting Agreement, it shall have the right, irrespective of such default:

(a) to require each non-defaulting Underwriter to purchase and pay for the respective aggregate principal amount of Bonds that it had agreed to purchase hereunder as hereinabove provided and, in addition, the aggregate principal amount of Bonds that the defaulting Underwriter shall have so failed to purchase up to an aggregate principal amount of Bonds equal to one-ninth (1/9) of the aggregate principal amount of Bonds that such non-defaulting Underwriter has otherwise agreed to purchase hereunder, and/or

(b) to procure one or more persons or entities, reasonably acceptable to the Representative, who are members of FINRA (or, if not members of FINRA, who are not eligible for membership in FINRA and who agree (i) to make no sales within the United States, its territories or its possessions or to persons or entities who are citizens thereof or residents therein and (ii) in making sales to comply with FINRA's Conduct Rules), to purchase, upon the terms herein set forth, either all or a part of the aggregate principal amount of Bonds that such defaulting Underwriter had agreed to purchase or that portion thereof that the remaining Underwriters shall not be obligated to purchase pursuant to the foregoing clause (a).

In the event the Issuer shall exercise its rights under (a) and/or (b) above, the Issuer shall give written notice thereof to the non-defaulting Underwriters within such further period of 36 hours, and thereupon the Closing Date shall be postponed for such period, not exceeding three business days, as the Issuer shall determine.

In the computation of any period of 36 hours referred to in this Section 7, there shall be excluded a period of 24 hours in respect of each Saturday, Sunday or legal holiday that would otherwise be included in such period of time.

Any action taken by the Issuer or Consumers under this Section 7 shall not relieve any defaulting Underwriter from liability in respect of any default of such Underwriter under this Underwriting Agreement.

8. Covenants.

(a) Covenants of the Issuer. The Issuer covenants and agrees with the several Underwriters that:

(i) The Issuer will upon request promptly deliver to the Representative and Counsel for the Underwriters (as defined below) a copy of the Registration Statement, certified by an officer or manager of the Issuer to be in the form as originally filed, including all exhibits thereto and all amendments thereto.

(ii) The Issuer will deliver to the Underwriters, as soon as practicable after the date hereof, as many copies of the Pricing Prospectus and the Final Prospectus as they may reasonably request.

(iii) The Issuer will cause or has caused the Final Prospectus to be filed with the Commission pursuant to Rule 424 under the Securities Act as soon as practicable and will advise the Underwriters of any stop order issued by the Commission suspending the effectiveness of the Registration Statement or the institution of any proceeding therefor of which the Issuer shall have received notice. The Issuer will use every reasonable effort to prevent the issuance of any such stop order and, if issued, to obtain as soon as possible the withdrawal thereof by the Commission. The Issuer has complied and will comply with Rule 433 under the Securities Act in connection with the offering of the Bonds.

(iv) If, during such period of time (not exceeding nine months) after the Final Prospectus has been filed with the Commission pursuant to Rule 424 under the Securities Act as in the opinion of Counsel for the Underwriters a prospectus covering the Bonds is required by law to be delivered in connection with sales by an Underwriter or dealer (including in circumstances where such requirement may be satisfied pursuant to Rule 172 under the Securities Act), any event relating to or affecting the Issuer, the Bonds or the Securitization Property or of which the Issuer shall be advised in writing by the Representative shall occur that should be set forth in a supplement to or an amendment of the Pricing Package or the Final Prospectus in order to make the Pricing Package or the Final Prospectus not misleading in the light of the circumstances when it is delivered to a purchaser (including in circumstances where such requirement may be satisfied pursuant to Rule 172 under the Securities Act), the Issuer will, at its expense, amend or supplement the Pricing Package or the Final Prospectus, as applicable, by either (A) preparing and furnishing to the Underwriters at the Issuer's expense a reasonable number of copies of a supplement or supplements of or an amendment or amendments to the Pricing Package or the Final Prospectus or (B) making an appropriate filing pursuant to Section 13 or Section 15 of the Exchange Act, which will supplement or amend the Pricing Package or the Final Prospectus so that, as supplemented or amended, it will not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances when the Pricing Package or the Final Prospectus is delivered to a purchaser (including in circumstances where such requirement may be satisfied pursuant to Rule 172 under the Securities Act), not misleading; provided, that should such event relate solely to the activities of any of the Underwriters, then such Underwriters shall assume the expense of preparing and furnishing any such amendment or supplement; provided, further, that Counsel for the Underwriters shall not have objected to such amendment or supplement pursuant to Section 8(a)(x) or Section 8(b)(x). The Issuer will also fulfill its obligations set out in Section 3(e) above.

(v) The Issuer will furnish such proper information as may be lawfully required and otherwise cooperate in qualifying the Bonds for offer and sale under the blue-sky laws of the states of the United States as the Representative may designate; provided that the Issuer shall not be required to qualify as a foreign limited liability company or dealer in securities, to file any consents to service of process under the laws of any jurisdiction or to meet any other requirements deemed by the Issuer to be unduly burdensome.

(vi) The Issuer or Consumers, on behalf of the Issuer, will, except as herein provided, pay or cause to be paid all reasonable expenses and taxes (except transfer taxes) in connection with (i) the preparation and filing by it of the Registration Statement, the Pricing Prospectus and the Final Prospectus (including any amendments and supplements thereto) and any Issuer Free Writing Prospectuses, (ii) the issuance and delivery of the Bonds as provided in Section 7 hereof (including reasonable documented fees and out-of-pocket disbursements of Counsel for the Underwriters and all trustee, rating agency and MPSC advisor fees), (iii) the qualification of the Bonds under blue-sky laws (including counsel fees not to exceed $5,000), (iv) the printing and delivery to the Underwriters of reasonable quantities of the Registration Statement and, except as provided in Section 8(a)(iv) hereof, of the Pricing Package and Final Prospectus. If the obligation of the Underwriters to purchase the Bonds terminates in accordance with the provisions of Sections 9, 10 or 12 hereof, the Issuer (i) will reimburse (or cause to be reimbursed) the Underwriters for the reasonable documented fees and out-of-pocket disbursements of Counsel for the Underwriters and (ii) will reimburse or cause to be reimbursed the Underwriters for their reasonable documented out-of-pocket expenses (other than fees of counsel covered in clause (i) above), such out-of-pocket expenses in an aggregate amount not exceeding $200,000, incurred in contemplation of the performance of this Underwriting Agreement. The Issuer shall not in any event be liable to any of the several Underwriters for damages on account of loss of anticipated profits.

(vii) During the period from the date of this Underwriting Agreement to the date that is five days after the Closing Date, the Issuer will not, without the prior written consent of the Representative, offer, sell or contract to sell, or otherwise dispose of, directly or indirectly, or announce the offering of, any asset-backed securities (other than the Bonds).

(viii) To the extent, if any, that any rating necessary to satisfy the condition set forth in Section 9(t) of this Underwriting Agreement is conditioned upon the furnishing of documents or the taking of other actions by the Issuer on or after the Closing Date, the Issuer shall furnish such documents and take such other actions to the extent reasonably requested by any Rating Agency.

(ix) For a period from the date of this Underwriting Agreement until the retirement of the Bonds or until such time as the Underwriters shall cease to maintain a secondary market in the Bonds, whichever occurs first, the Issuer shall file with the Commission and, to the extent permitted by and consistent with the Issuer's obligations under applicable law, make available on the website associated with the Issuer or its affiliates, such periodic reports, if any, as are required (without regard to the number of holders of Bonds to the extent permitted by and consistent with the Issuer's obligations under applicable law) from time to time under Section 13 or Section 15(d) of the Exchange Act; provided, that the Issuer shall not voluntarily suspend or terminate its filing obligations with the Commission unless permitted under applicable law and not prohibited by the terms of the Issuer Documents. The Issuer shall also, to the extent permitted by and consistent with the Issuer's obligations under applicable law, include in any periodic and other reports to be filed with the Commission as provided above or posted on the website associated with the Issuer or its affiliates, such information as required by Section 3.07(g) of the Indenture with respect to the Bonds. To the extent that the Issuer's obligations are terminated or limited by an amendment to Section 3.07(g) of the Indenture, or otherwise, such obligations shall be correspondingly terminated or limited hereunder.

(x) The Issuer and Consumers will not file any amendment to the Registration Statement, any amendment or supplement to the Final Prospectus or any amendment or supplement to the Pricing Package during the period when a prospectus relating to the Bonds is required to be delivered under the Securities Act, without prior notice to the Underwriters or to which Hunton Andrews Kurth LLP, who are acting as counsel for the Underwriters ("Counsel for the Underwriters"), shall reasonably object by written notice to the Issuer and Consumers within two business days of notification thereof.

(xi) So long as any of the Bonds are outstanding, the Issuer will furnish to the Representative, if and to the extent not posted on the Issuer or any of its affiliate's website, (A) as soon as available, a copy of each report of the Issuer filed with the Commission under the Exchange Act or furnished to the bondholders (in each case to the extent such reports are not publicly available on the Commission's website), (B) upon request, a copy of any filings with the MPSC pursuant to the Financing Order including, but not limited to any annual, semi-annual or more frequent true-up adjustment filings, and (C) from time to time, any information (other than confidential or proprietary information) concerning the Issuer as the Representative may reasonably request.

(xii) So long as the Bonds are rated by any Rating Agency, the Issuer will comply with the 17g-5 Representations, other than (x) any noncompliance of the 17g-5 Representations that would not have a material adverse effect on the rating of the Bonds or the Bonds or (y) any noncompliance arising from the breach by an Underwriter of the representations, warranties and covenants set forth in Section 13 hereof.

(b) Covenants of Consumers. Consumers covenants and agrees with the several Underwriters that, to the extent that the Issuer has not already performed such act pursuant to Section 8(a):

(i) To the extent permitted by applicable law and the agreements and instruments that bind Consumers, Consumers will use every reasonable effort to cause the Issuer to comply with the covenants set forth in Section 8(a) hereof.

(ii) Consumers will use every reasonable effort to prevent the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement and, if issued, to obtain as soon as possible the withdrawal thereof.

(iii) If, during such period of time (not exceeding nine months) after the Final Prospectus has been filed with the Commission pursuant to Rule 424 under the Securities Act as in the opinion of Counsel for the Underwriters a prospectus covering the Bonds is required by law to be delivered in connection with sales by an Underwriter or dealer (including in circumstances where such requirement may be satisfied pursuant to Rule 172 under the Securities Act), any event relating to or affecting Consumers, the Bonds or the Securitization Property or of which Consumers shall be advised in writing by the Representative shall occur that should be set forth in a supplement to or an amendment of the Pricing Package or the Final Prospectus in order to make the Pricing Package or the Final Prospectus not misleading in the light of the circumstances when it is delivered to a purchaser (including in circumstances where such requirement may be satisfied pursuant to Rule 172 under the Securities Act), Consumers will cause the Issuer, at Consumers' or the Issuer's expense, to amend or supplement the Pricing Package or the Final Prospectus, as applicable, by either (A) preparing and furnishing to the Underwriters at Consumers' or the Issuer's expense a reasonable number of copies of a supplement or supplements of or an amendment or amendments to the Pricing Package or the Final Prospectus or (B) causing the Issuer to make an appropriate filing pursuant to Section 13 or Section 15 of the Exchange Act, which will supplement or amend the Pricing Package or the Final Prospectus so that, as supplemented or amended, it will not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances when the Pricing Package or the Final Prospectus is delivered to a purchaser (including in circumstances where such requirement may be satisfied pursuant to Rule 172 under the Securities Act), not misleading; provided, that should such event relate solely to the activities of any of the Underwriters, then such Underwriters shall assume the expense of preparing and furnishing any such amendment or supplement; provided, further, that Counsel for the Underwriters shall not have objected to such amendment or supplement pursuant to Section 8(a)(x) or Section 8(b)(x). Consumers will also fulfill its obligations set out in Section 4(e).

(iv) During the period from the date of this Underwriting Agreement to the date that is five days after the Closing Date, Consumers will not, without the prior written consent of the Representative, offer, sell or contract to sell, or otherwise dispose of, directly or indirectly, or announce the offering of, any asset-backed securities (other than the Bonds).

(v) Consumers will cause the proceeds for the issuance and sale of the Bonds to be applied for the purposes described in the Pricing Prospectus.

(vi) Consumers, to the extent not paid for by the Issuer, will, except as herein provided, pay or cause to be paid all reasonable expenses and taxes described in Section 8(a)(vi).

(vii) As soon as practicable, but not later than 16 months, after the date hereof, Consumers will make generally available (by posting on its or an affiliate's website or otherwise) to its security holders, an earning statement (which need not be audited) that will satisfy the provisions of Section 11(a) of the Securities Act.

(viii) To the extent, if any, that any rating necessary to satisfy the condition set forth in Section 9(t) of this Underwriting Agreement is conditioned upon the furnishing of documents or the taking of other actions by Consumers on or after the Closing Date, Consumers shall furnish such documents and take such other actions to the extent reasonably requested by any Rating Agency.

(ix) The initial securitization charge for the Bonds will be calculated in accordance with the Financing Order.

(x) Consumers will not file any amendment to the Registration Statement, any amendment or supplement to the Final Prospectus or any amendment or supplement to the Pricing Package during the period when a prospectus relating to the Bonds is required to be delivered under the Securities Act, without prior notice to the Underwriters or to which Counsel for the Underwriters shall reasonably object by written notice to Consumers within two days of notification thereof.

(xi) So long as the Bonds are rated by any Rating Agency, Consumers, in its capacity as sponsor with respect to the Bonds, will cause the Issuer to comply with the 17g-5 Representations, other than (x) any noncompliance of the 17g-5 Representations that would not have a material adverse effect on the rating of the Bonds or the Bonds or (y) any noncompliance arising from the breach by an Underwriter of the representations and warranties and covenants set forth in Section 13 hereof.

9. Conditions to the Obligations of the Underwriters. The obligations of the Underwriters to purchase the Bonds shall be subject to the accuracy of the representations and warranties on the part of the Issuer and Consumers contained in this Underwriting Agreement, on the part of Consumers contained in Article III of the Sale Agreement as of the Closing Date, and on the part of Consumers contained in Section 6.01 of the Servicing Agreement as of the Closing Date, to the accuracy of the statements of the Issuer and Consumers made in any certificates pursuant to the provisions hereof, to the performance by the Issuer and Consumers of their obligations hereunder, and to the following additional conditions:

(a) The Final Prospectus shall have been filed with the Commission pursuant to Rule 424 under the Securities Act no later than 5:30 p.m., New York City time, on the second business day following the date of this Underwriting Agreement. In addition, all material required to be filed by the Issuer or Consumers pursuant to Rule 433(d) under the Securities Act that was prepared by either of them or that was prepared by any Underwriter and timely provided to the Issuer or Consumers shall have been filed with the Commission within the applicable time period prescribed for such filing by such Rule 433(d).

(b) No stop order suspending the effectiveness of the Registration Statement shall be in effect, and no proceedings for that purpose shall be pending before, or threatened by, the Commission on the Closing Date; and the Underwriters shall have received one or more certificates, dated the Closing Date and signed by an officer or manager of Consumers and the Issuer, as appropriate, to the effect that no such stop order is in effect and that no proceedings for such purpose are pending before, or to the knowledge of Consumers or the Issuer, as the case may be, threatened by, the Commission.

(c) Hunton Andrews Kurth LLP, counsel for the Underwriters, shall have furnished to the Representative their written opinion and negative assurance letter, dated the Closing Date, with respect to the issuance and sale of the Bonds, the Indenture, the other Issuer Documents, the Registration Statement and other related matters; and such counsel shall have received such papers and information as they may reasonably request to enable them to pass upon such matters.

(d) Richards, Layton & Finger, P.A., special Delaware counsel for the Issuer, shall have furnished to the Representative their written opinion, in form and substance reasonably satisfactory to the Representative, dated the Closing Date, regarding the authority to file a voluntary bankruptcy petition.

(e) Richards, Layton & Finger, P.A., special Delaware counsel for the Issuer, shall have furnished to the Representative their written opinion, in form and substance reasonably satisfactory to the Representative, dated the Closing Date, regarding certain Delaware Uniform Commercial Code matters.

(f) Pillsbury Winthrop Shaw Pittman LLP, counsel for the Issuer and Consumers, shall have furnished to the Representative, in form and substance reasonably satisfactory to the Representative, each dated the Closing Date, (i) their written opinions regarding certain securities law matters and negative assurances, (ii) their written opinions regarding certain aspects of the transactions contemplated by the Issuer Documents, including the Indenture and the Indenture Trustee's security interest under the New York Uniform Commercial Code, (iii) their written opinions regarding certain federal tax matters, (iv) their written reasoned opinions regarding certain bankruptcy matters and (v) their written reasoned opinions regarding certain federal constitutional matters relating to the Securitization Property.

(g) Miller Canfield, Paddock and Stone, P.L.C., Michigan counsel for the Issuer and Consumers, shall have furnished to the Representative their written opinions, in form and substance reasonably satisfactory to the Representative, dated the Closing Date, regarding certain Michigan constitutional matters relating to the Securitization Property.

(h) Emmet, Marvin & Marvin, LLP, counsel for the Indenture Trustee, shall have furnished to the Representative their written opinion, in form and substance reasonably satisfactory to the Representative, dated the Closing Date, regarding certain matters relating to the Indenture Trustee.

(i) Miller Canfield, Paddock and Stone, P.L.C., Michigan counsel for Consumers and the Issuer, shall have furnished to the Representative their written opinion, in form and substance reasonably satisfactory to the Representative, dated the Closing Date, regarding enforceability, certain Michigan regulatory and additional corporate matters.

(j) Miller Canfield, Paddock and Stone, P.L.C., Michigan counsel for the Issuer and Consumers, shall have furnished to the Representative their written opinions, in form and substance reasonably satisfactory to the Representative, dated the Closing Date, regarding certain Michigan matters and fair summary matters.

(k) Melissa M. Gleespen, Vice President, Corporate Secretary and Chief Compliance Officer, of Consumers, shall have furnished to the Representative her written opinion, in form and substance reasonably satisfactory to the Representative, dated the Closing Date, regarding certain additional matters.

(l) Miller Canfield, Paddock and Stone, P.L.C., Michigan Counsel for the Issuer and Consumers shall have furnished to the Representative their written opinion, in form and substance reasonably satisfactory to the Representative, dated the Closing Date, regarding the security interests in the Securitization Property.

(m) Miller Canfield, Paddock and Stone, P.L.C., Michigan counsel for the Issuer and Consumers, shall have furnished to the Representative their written opinion, in form and substance reasonably satisfactory to the Representative, dated the Closing Date, regarding certain Michigan tax matters.

(n) Richards, Layton & Finger, P.A., special Delaware counsel for the Issuer and Consumers, shall have furnished to the Representative their written opinion, in form and substance reasonably satisfactory to the Representative, dated the Closing Date, regarding certain matters of Delaware law.

(o) Miller Canfield, Paddock and Stone, P.L.C., Michigan counsel for the Issuer and Consumers, shall have furnished to the Representative their written opinion, in form and substance reasonably satisfactory to the Representative, dated the Closing Date, regarding the characterization of the transfer of the Securitization Property by Consumers to the Issuer as a "true sale" for Michigan law purposes

(p) On or before the date of this Underwriting Agreement and on or before the Closing Date, a nationally recognized accounting firm reasonably acceptable to the Representative shall have furnished to the Representative one or more reports regarding certain calculations and computations relating to the Bonds, in form or substance reasonably satisfactory to the Representative, in each case in respect of which the Representative shall have made specific requests therefor and shall have provided acknowledgment or similar letters to such firm reasonably necessary in order for such firm to issue such reports.

(q) Subsequent to the respective dates as of which information is given in each of the Registration Statement, the Pricing Prospectus and the Final Prospectus, there shall not have been any change specified in the letters required by Section 9(p) hereof that is, in the judgment of the Representative, so material and adverse as to make it impracticable or inadvisable to proceed with the offering or the delivery of the Bonds as contemplated by the Registration Statement and the Final Prospectus.

(r) The LLC Agreement, the Administration Agreement, the Sale Agreement, the Servicing Agreement, the Indenture and the Intercreditor Agreement and any amendment or supplement to any of the foregoing shall have been executed and delivered.

(s) Since the respective dates as of which information is given in each of the Registration Statement and in the Pricing Prospectus and as of the Closing Date, there shall have been no (i) material adverse change in the business, property or financial condition of Consumers and its subsidiaries, taken as a whole, whether or not in the ordinary course of business, or of the Issuer, (ii) adverse development concerning the business or assets of Consumers and its subsidiaries, taken as a whole, or of the Issuer which would be reasonably likely to result in a material adverse change in the prospective business, property or financial condition of Consumers and its subsidiaries, taken as a whole, whether or not in the ordinary course of business, or the of Issuer or (iii) development which would be reasonably likely to result in a material adverse change, in the Securitization Property, the Bonds or the Financing Order.

(t) At the Closing Date, (i) the Bonds shall be rated at least the ratings set forth in the Pricing Term Sheet by Moody's Investors Service, Inc. ("Moody's") and S&P Global Ratings, acting through Standard & Poor's Financial Services LLC ("S&P"), respectively, and the Issuer shall have delivered to the Underwriters a letter from each such Rating Agency, or other evidence satisfactory to the Underwriters, confirming that the Bonds have such ratings, and (ii) none of Moody's or S&P shall have, since the date of this Underwriting Agreement, downgraded or publicly announced that it has under surveillance or review, with possible negative implications, its ratings of the Bonds.

(u) The Issuer and Consumers shall have furnished or caused to be furnished to the Representative at the Closing Date certificates of officers or managers of the Issuer and Consumers, reasonably satisfactory to the Representative, as to the accuracy of the representations and warranties of the Issuer and Consumers herein, in the Sale Agreement, the Servicing Agreement, the Indenture and Intercreditor Agreement at and as of the Closing Date, as to the performance by the Issuer and Consumers of all of their obligations hereunder to be performed at or prior to such Closing Date, as to the matters set forth in subsections (b) and (s) of this Section and as to such other matters as the Representative may reasonably request.

(v) On or prior to the Closing Date, the Issuer shall have delivered to the Representative evidence, in form and substance reasonably satisfactory to the Representative, that appropriate filings have been or are being made in accordance with the Michigan 2000 PA 142, the Financing Order and other applicable law reflecting the grant of a security interest by the Issuer in the collateral relating to the Bonds to the Indenture Trustee, including the filing of the requisite financing statements in the office of the Secretary of State of the State of Michigan and the Secretary of State of the State of Delaware.

(w) On or prior to the Closing Date, Consumers shall have funded the capital subaccount of the Issuer with cash in an amount equal to $3,230,000.

(x) The Issuer and Consumers shall have furnished or caused to be furnished or agree to furnish to the Rating Agencies at the Closing Date such opinions and certificates as the Rating Agencies shall have reasonably requested prior to the Closing Date. Any opinions delivered on the Closing Date to the Rating Agencies beyond those being delivered to the Underwriters above shall either (x) include the Underwriters as addressees or (y) be accompanied by reliance letters addressed to the Underwriters referencing such letters.

If any of the conditions specified in this Section 9 shall not have been fulfilled when and as provided in this Underwriting Agreement, or if any of the opinions, certificates and other documents mentioned above or elsewhere in this Underwriting Agreement shall not be in all material respects reasonably satisfactory in form and substance to the Representative and Counsel for the Underwriters, all obligations of the Underwriters hereunder may be canceled at, or at any time prior to, the Closing Date by the Representative. Notice of such cancellation shall be given to the Issuer and Consumers in writing, by email or by telephone confirmed in writing.

10. Conditions of Issuer's Obligations. The obligation of the Issuer to deliver the Bonds shall be subject to the conditions that no stop order suspending the effectiveness of the Registration Statement shall be in effect at the Closing Date and no proceeding for that purpose shall be pending before, or threatened by, the Commission at the Closing Date. In case these conditions shall not have been fulfilled, this Underwriting Agreement may be terminated by the Issuer upon notice thereof to the Underwriters. Any such termination shall be without liability of any party to any other party except as otherwise provided in Sections 8(a)(vi) and 11 hereof.

11. Indemnification and Contribution.

(a) The Issuer and Consumers agree, to the extent permitted by law, to indemnify and hold harmless each of the Underwriters, their officers and directors and each person, if any, who controls any such Underwriter within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under the Securities Act, Exchange Act or otherwise, and to reimburse the Underwriters and such controlling person or persons, if any, for any legal or other expenses incurred by them in connection with defending any action, suit or proceeding (including governmental investigations) as provided in Section 11(c) hereof, insofar as such losses, claims, damages, liabilities or actions, suits or proceedings (including governmental investigations) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, the Pricing Prospectus, the Pricing Package or the Final Prospectus, or if the Final Prospectus shall be amended or supplemented, in the Final Prospectus as so amended or supplemented (if such Final Prospectus or such Final Prospectus as amended or supplemented is used after the period of time referred to in Sections 8(a)(iv) and 8(b)(iii) hereof, it shall contain or be used with such amendments or supplements as the Issuer and Consumers deem necessary to comply with Section 10(a) of the Securities Act), the information contained in the Term Sheets, any other Issuer Free Writing Prospectus or any issuer information (within the meaning of Rule 433 under the Securities Act) filed or required to be filed pursuant to Rule 433(d) under the Securities Act, or any amendment or supplement thereto, or arise out of or are based upon any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such losses, claims, damages, liabilities or actions, suits or proceedings (including governmental investigations) arise out of or are based upon any such untrue statement or alleged untrue statement or omission or alleged omission that was made in such Registration Statement, the Pricing Package, Final Prospectus, the Term Sheets or any other Issuer Free Writing Prospectus or any issuer information (within the meaning of Rule 433 under the Securities Act) filed or required to be filed pursuant to Rule 433(d) under the Securities Act in reliance upon and in conformity with information furnished in writing to the Issuer and Consumers through the Representative on behalf of any Underwriters expressly for use therein. Notwithstanding the foregoing, the indemnity agreement contained in this Section 11(a) with respect to any untrue statement in or omission from the Pricing Prospectus shall not inure to the benefit of the Underwriters (or any other party described in this Section 11(a)) to the extent that the sale of the Bonds to the person or entity asserting any such loss, claim, damage or liability was an initial resale by the Underwriters and any such loss, claim, damage or liability with respect to the Underwriters results from the fact that both (i) copies of the Preliminary Term Sheet or Pricing Term Sheet were not conveyed to such person or entity at or prior to the written confirmation of the sale of such Bonds to such person or entity and (ii) the untrue statement in or omission from the Pricing Prospectus was corrected in such Preliminary Term Sheet or Pricing Term Sheet.

The indemnity agreement contained in this Section 11(a), and the covenants, representations and warranties of the Issuer and Consumers contained in this Agreement, shall remain in full force and effect regardless of any investigation made by or on behalf of any person, and shall survive the delivery of and payment for the Bonds hereunder, and the indemnity agreement contained in this Section 11 shall survive any termination of this Agreement. The liabilities of the Issuer or Consumers in this Section 11(a) are in addition to any other liabilities of the Issuer or Consumers under this Agreement or otherwise.

(b) Each Underwriter agrees, severally and not jointly, to the extent permitted by law, to indemnify, hold harmless and reimburse the Issuer and Consumers, each of the Issuer's and Consumers' managers and directors and such of the officers of the Issuer and Consumers as shall have signed the Registration Statement and each person, if any, who controls the Issuer or Consumers within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, to the same extent and upon the same terms as the indemnity agreement of the Issuer and Consumers as set forth in Section 11(a) hereof, but only with respect to alleged untrue statements or omissions made in the Registration Statement, the Pricing Package, the Final Prospectus, as amended or supplemented (if applicable), the Term Sheets or any other Issuer Free Writing Prospectus, or any amendment or supplement thereto, in reliance upon and in conformity with information furnished in writing to the Issuer and the Consumers through the Representative on behalf of such Underwriter expressly for use therein. The Issuer and Consumers acknowledge that the only such information furnished in writing to the Issuer and Consumers as of the date hereof is set forth in Schedule IV hereto (the "Underwriter Information").

The indemnity agreement on the part of each Underwriter contained in this Section 11(b) and the covenants, representations and warranties of such Underwriter contained in this Underwriting Agreement shall remain in full force and effect regardless of any investigation made by or on behalf of the Issuer, Consumers or any other person, and shall survive the delivery of and payment for the Bonds hereunder, and the indemnity agreement contained in this Section 11 shall survive any termination of this Agreement. The liabilities of each Underwriter in this Section 11(b) are in addition to any other liabilities of such Underwriter under this Agreement or otherwise.

(c) If a claim is made or an action, suit or proceeding (including governmental investigation) is commenced or threatened against any person as to which indemnity may be sought under Section 11(a) hereof or Section 11(b) hereof, such person (the "Indemnified Person") shall notify the person against whom such indemnity may be sought (the "Indemnifying Person") promptly after any assertion of such claim, promptly after any threat is made to institute an action, suit or proceeding or, if such an action, suit or proceeding is commenced against such Indemnified Person, promptly after such Indemnified Person shall have been served with a summons or other first legal process, giving information as to the nature and basis of the claim. Failure to so notify the Indemnifying Person shall not, however, relieve the Indemnifying Person from any liability that it may have on account of the indemnity under Section 11(a) hereof or Section 11(b) hereof if the Indemnifying Person has not been prejudiced in any material respect by such failure. Subject to the immediately succeeding sentence, the Indemnifying Person shall assume the defense of any such litigation or proceeding, including the employment of counsel and the payment of all expenses, with such counsel being designated, subject to the immediately succeeding sentence, in writing by the Representative in the case of parties indemnified pursuant to Section 11(b) hereof and by the Issuer or Consumers in the case of parties indemnified pursuant to Section 11(a) hereof. Any Indemnified Person shall have the right to participate in such litigation or proceeding and to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Person unless (i) the Indemnifying Person and the Indemnified Person shall have mutually agreed to the retention of such counsel or (ii) the named parties to any such proceeding (including any impleaded parties) include (x) the Indemnifying Person and (y) the Indemnified Person and, in the written opinion of counsel to such Indemnified Person, representation of both parties by the same counsel would be inappropriate due to actual or likely conflicts of interest between them, in either of which cases the reasonable fees and expenses of counsel (including disbursements) for such Indemnified Person shall be reimbursed by the Indemnifying Person to the Indemnified Person. If there is a conflict as described in clause (ii) above, and the Indemnified Person(s) have participated in the litigation or proceeding utilizing separate counsel whose fees and expenses have been reimbursed by the Indemnifying Person and the Indemnified Person(s), or any of them, are found in a final judicial determination to be liable, such Indemnified Person(s) shall repay to the Indemnifying Person such fees and expenses of such separate counsel as the Indemnifying Person shall have reimbursed. It is understood that the Indemnifying Person shall not, in connection with any litigation or proceeding or related litigation or proceedings in the same jurisdiction as to which the Indemnified Person(s) are entitled to such separate representation, be liable under this Agreement for the reasonable fees and out-of-pocket expenses of more than one separate firm (together with not more than one appropriate local counsel) for all such Indemnified Persons. Subject to the next paragraph, all such fees and expenses shall be reimbursed by payment to the Indemnified Person(s) of such reasonable fees and expenses of counsel promptly after payment thereof by the Indemnified Person(s).

In furtherance of the requirement above that fees and expenses of any separate counsel for the Indemnified Person(s) shall be reasonable, the Underwriters, the Issuer and Consumers agree that the Indemnifying Person's obligations to pay such fees and expenses shall be conditioned upon the following:

(1) in case separate counsel is proposed to be retained by the Indemnified Person(s) pursuant to clause (ii) of the preceding paragraph, the Indemnified Person(s) shall in good faith fully consult with the Indemnifying Person in advance as to the selection of such counsel;

(2) reimbursable fees and expenses of such separate counsel shall be detailed and supported in a manner reasonably acceptable to the Indemnifying Person (but nothing herein shall be deemed to require the furnishing to the Indemnifying Person of any information, including, without limitation, computer print-outs of lawyers' daily time entries, to the extent that, in the judgment of such counsel, furnishing such information might reasonably be expected to result in a waiver of any attorney-client privilege); and

(3) the Issuer, Consumers and the Representative shall cooperate in monitoring and controlling the fees and expenses of separate counsel for Indemnified Person(s) for which the Indemnifying Person is liable hereunder, and the Indemnified Person(s) shall use reasonable effort to cause such separate counsel to minimize the duplication of activities as between themselves and counsel to the Indemnifying Person.

The Indemnifying Person shall not be liable for any settlement of any litigation or proceeding effected without the written consent of the Indemnifying Person, but, if settled with such consent or if there be a final judgment for the plaintiff, the Indemnifying Person agrees, subject to the provisions of this Section 11, to indemnify the Indemnified Person from and against any loss, damage, liability or expense by reason of such settlement or judgment. The Indemnifying Person shall not, without the prior written consent of the Indemnified Person(s), effect any settlement of any pending or threatened litigation, proceeding or claim in respect of which indemnity has been properly sought by the Indemnified Person(s) hereunder, unless such settlement includes an unconditional release by the claimant of all Indemnified Persons from all liability with respect to claims that are the subject matter of such litigation, proceeding or claim and does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of any Indemnified Person.

(d) If the indemnification provided for above in this Section 11 is unavailable to or insufficient to hold harmless an Indemnified Person under such Section 11 in respect of any losses, claims, damages or liabilities (or actions, suits or proceedings (including governmental investigations) in respect thereof) referred to therein, then each Indemnifying Person under this Section 11 shall contribute to the amount paid or payable by such Indemnified Person as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Indemnifying Person on the one hand and the Indemnified Person on the other from the offering of the Bonds. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law, then each Indemnifying Person shall contribute to such amount paid or payable by such Indemnified Person in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of each Indemnifying Person, if any, on the one hand and the Indemnified Person on the other in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities (or actions, suits or proceedings (including governmental investigations) in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Issuer and Consumers on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Issuer and the total discounts or commissions received by the Underwriters, in each case as set forth in the table on the cover page of the Final Prospectus, bear to the aggregate public offering price of the Bonds. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Issuer and Consumers on the one hand or the Underwriters on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Issuer, Consumers and the Underwriters agree that it would not be just and equitable if contribution pursuant to this Section 11 were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to above in this Section 11. The amount paid or payable by an Indemnified Person as a result of the losses, claims, damages or liabilities (or actions, suits or proceedings (including governmental proceedings) in respect thereof) referred to above in this Section 11 shall be deemed to include any legal or other expenses reasonably incurred by such Indemnified Person in connection with investigating or defending any such actions, suits or proceedings (including governmental proceedings) or claims, provided that the provisions of this Section 11 have been complied with (in all material respects) in respect of any separate counsel for such Indemnified Person. Notwithstanding the provisions of this Section 11, no Underwriter shall be required to contribute any amount in excess of the purchase discount or commission applicable to the Bonds purchased by such Underwriter hereunder. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations in this Section 11 to contribute are several in proportion to their respective underwriting obligations and not joint.

The agreement with respect to contribution contained in this Section 11(d) shall remain in full force and effect regardless of any investigation made by or on behalf of the Issuer, Consumers or any Underwriter, and shall survive delivery of and payment for the Bonds hereunder and any termination of this Agreement.

12. Termination. This Agreement shall become effective upon the execution and delivery of this Agreement by the parties hereto.

This Agreement may be terminated at any time prior to the purchase of the Bonds by the Representative if, prior to such time, any of the following events shall have occurred: (i) trading in Consumers' securities shall have been suspended by the Commission or the New York Stock Exchange ("NYSE") or trading in securities generally on the NYSE shall have been suspended or limited or minimum prices shall have been established on such exchange; (ii) a banking moratorium shall have been declared either by U.S. Federal or New York State authorities; (iii) any material disruption of securities settlement or clearance services; or (iv) any outbreak or escalation of hostilities, declaration by the United States of a national emergency or war or other calamity, crisis or disruption in financial markets, the effect of which on the financial markets of the United States is such as to impair, in the judgment of the Representative, the marketability of the Bonds.

If the Representative elects to terminate this Agreement, as provided in this Section 12, the Representative will promptly notify the Issuer and Consumers and each other Underwriter by email or telephone, confirmed by letter. If this Agreement shall not be carried out by any Underwriter for any reason permitted hereunder, or if the sale of the Bonds to the Underwriters as herein contemplated shall not be carried out because the Issuer and Consumers are not able to comply with the terms hereof, the Issuer and Consumers shall not be under any obligation under this Agreement except as provided in Section 8(a)(vi) and Section 11 hereof and shall not be liable to any Underwriter or to any member of any selling group for the loss of anticipated profits from the transactions contemplated by this Agreement and the Underwriters shall be under no liability to the Issuer and Consumers nor be under any liability under this Agreement to one another.

13. Representations, Warranties and Covenants of the Underwriters. The Underwriters, severally and not jointly, represent, warrant and agree with the Issuer and Consumers that, unless the Underwriters obtained, or will obtain, the prior written consent of the Issuer or Consumers, the Representative (x) has not delivered, and will not deliver, any Rating Information (as defined below) to any Rating Agency until and unless the Issuer or Consumers advises the Underwriters that such Rating Information is posted to a password-protected website maintained by the Servicer pursuant to paragraph (a)(3)(iii)(B) of Rule 17g-5 under the Exchange Act in the same form as it will be provided to such Rating Agency and (y) has not participated, and will not participate, with any Rating Agency in any oral communication of any Rating Information without the participation of a representative of the Issuer or Consumers. For purposes of this Section 13, "Rating Information" means any information provided to a Rating Agency for the purpose of determining an initial credit rating on the Bonds or maintaining a credit rating on the Bonds.

14. Absence of Fiduciary Relationship. Each of the Issuer and Consumers acknowledges and agrees that the Underwriters are acting solely in the capacity of an arm's length contractual counterparty to the Issuer and Consumers with respect to the offering of the Bonds contemplated hereby (including in connection with determining the terms of the offering) and not as a financial advisor or a fiduciary to, or an agent of, the Issuer or Consumers. Additionally, none of the Underwriters is advising the Issuer or Consumers as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction. The Issuer and Consumers shall consult with their own advisors concerning such matters and shall be responsible for making their own independent investigation and appraisal of the transactions contemplated hereby, and the Underwriters shall have no responsibility or liability to the Issuer or Consumers with respect thereto. Any review by the Underwriters of the Issuer or Consumers, the transactions contemplated hereby or other matters relating to such transactions will be performed solely for the benefit of the Underwriters and shall not be on behalf of the Issuer or Consumers.

15. Notices. All communications hereunder will be in writing and may be given by United States mail, courier service, email (confirmed by telephone) or any other customary means of communication, and any such communication shall be effective when delivered or, if mailed, three days after deposit in the United States mail with proper postage for ordinary mail prepaid, and if sent to the Representative, to it at the address specified in Schedule I hereto; and if sent to Consumers, to it at One Energy Plaza, Jackson, Michigan 49201, Attention: Assistant Treasurer (Email: todd.wehner@cmsenergy.com); and if sent to the Issuer, to it at One Energy Plaza, Jackson, Michigan 49201, Attention: Todd Wehner (Email: todd.wehner@cmsenergy.com). The parties hereto, by notice to the others, may designate additional or different addresses for subsequent communications.

16. Successors. This Underwriting Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors and the managers, officers and directors and controlling persons referred to in Section 11 hereof, and no other person or entity will have any right or obligation hereunder.

17. Applicable Law. This Underwriting Agreement will be governed by and construed in accordance with the laws of the State of New York.

18. Counterparts; Construction. This Underwriting Agreement may be signed in any number of counterparts, each of which shall be deemed an original, which taken together shall constitute one and the same instrument. The words "execution", "signed" and "signature" and words of like import in this Underwriting Agreement or in any other certificate, agreement or document related to this Underwriting Agreement (to the extent not prohibited under governing documents) shall include images of manually executed signatures transmitted by facsimile or other electronic format (including "pdf", "tif" or "jpg") and other electronic signatures (including DocuSign and AdobeSign). The use of electronic signatures and electronic records (including any contract or other record created, generated, sent, communicated, received or stored by electronic means) shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based record-keeping system to the fullest extent permitted by applicable law, including the Electronic Signatures in Global and National Commerce Act, the Michigan Uniform Electronic Transactions Act, the New York State Electronic Signatures and Records Act and any other applicable law, including any state law based on the Uniform Electronic Transactions Act or the Uniform Commercial Code. Any reference herein to "including" shall be deemed to be followed by the words "without limitation".

19. Integration. This Agreement supersedes all prior agreements and understandings (whether written or oral) among the Issuer, Consumers and the Underwriters, or any of them, with respect to the subject matter hereof.

20. Recognition of the U.S. Special Resolution Regimes. In the event that any Underwriter that is a Covered Entity (as defined below) becomes subject to a proceeding under a U.S. Special Resolution Regime (as defined below), the transfer from such Underwriter of this Agreement, and any interest and obligation in or under this Agreement, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement, and any such interest and obligation, were governed by the laws of the United States or a state of the United States. In the event that any Underwriter that is a Covered Entity or a BHC Act Affiliate (as defined below) of such Underwriter becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights (as defined below) under this Agreement that may be exercised against such Underwriter are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States. "BHC Act Affiliate" has the meaning assigned to the term "affiliate" in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k). "Covered Entity" means any of the following: (i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b). "Default Right" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable. "U.S. Special Resolution Regime" means each of (x) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (y) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

If the foregoing is in accordance with your understanding of our agreement, please sign and return to us the enclosed duplicate hereof, whereupon this letter and your acceptance shall represent a binding agreement among Consumers, the Issuer and the several Underwriters.

Very truly yours,

CONSUMERS ENERGY COMPANY

By: /s/ Todd Wehner
Name: Todd Wehner
Title: Assistant Treasurer

CONSUMERS 2023 SECURITIZATION FUNDING LLC

By: /s/ Todd Wehner
Name: Todd Wehner
Title: Assistant Treasurer

[Signature Page to Consumers Energy Underwriting Agreement]

The foregoing Underwriting Agreement is hereby confirmed and accepted by the Representative on behalf of the Underwriters as of the date specified in Schedule I hereto.

CITIGROUP GLOBAL MARKETS INC.

By: /s/ Steffen Lunde
Name: Steffen Lunde
Title: Director

[Signature Page to Consumers Energy Underwriting Agreement]

SCHEDULE I

Underwriting Agreement dated December 5, 2023

Registration Statement Nos. 333-274648 and 333-274648-01

Representative: Citigroup Global Markets Inc.

c/o Citigroup Global Markets Inc.

Address: 388 Greenwich Street, 6th Floor Trading
New York, New York 10013
Attention: Steffen Lunde

Title, Purchase Price and Description of Bonds:

Title: Senior Secured Securitization Bonds, Series 2023A

	Total Principal Amount of Tranche	Interest Rate	Price to Public	Underwriting Discounts and Commissions	Proceeds to Issuer
Per Tranche A-1 Bond	$ 250,000,000	5.55%	99.99006%	0.40000%	$ 248,975,150
Per Tranche A-2 Bond	$ 396,000,000	5.21%	99.95732%	0.40000%	$ 394,246,987
Total	$ 646,000,000				$ 643,222,137

Original Issue Discount (if any): $193,863

Redemption provisions: None

Closing Date, Time and Location: December 12, 2023, 10:00 a.m.; offices of Hunton Andrews Kurth LLP, 200 Park Avenue, New York, New York 10166

SCHEDULE II

Principal Amount of Bonds to be Purchased

Underwriter	Tranche A-1	Tranche A-2	Total
Citigroup Global Markets Inc.	$ 162,500,000	$ 257,400,000	$ 419,900,000
RBC Capital Markets, LLC	$ 31,250,000	$ 49,500,000	$ 80,750,000
SMBC Nikko Securities America, Inc.	$ 31,250,000	$ 49,500,000	$ 80,750,000
Drexel Hamilton, LLC	$ 12,500,000	$ 19,800,000	$ 32,300,000
Samuel A. Ramirez & Company, Inc.	$ 12,500,000	$ 19,800,000	$ 32,300,000
Total	$ 250,000,000	$ 396,000,000	$ 646,000,000

SCHEDULE III

Schedule of Issuer Free Writing Prospectuses

A. Free Writing Prospectuses not required to be filed with the Commission pursuant to Rule 433 under the Securities Act:

Electronic Road Show

B. Free Writing Prospectuses required to be filed with the Commission pursuant to Rule 433 under the Securities Act:

Preliminary Term Sheet, dated November 29, 2023

Pricing Term Sheet, dated December 5, 2023

SCHEDULE IV

Descriptive List of Underwriter Provided Information

A. Pricing Prospectus

(a) under the heading "PLAN OF DISTRIBUTION" in the Pricing Prospectus: (i) the entire two paragraphs under the caption "The Underwriters' Sales Price for the Bonds"; (ii) the third sentence under the caption "No Assurance as to Resale Price or Resale Liquidity for the Bonds"; (iii) the entire first full paragraph under the caption "Various Types of Underwriter Transactions That May Affect the Price of the Bonds" (except the last sentence thereof); and (iv) the second sentence of the second full paragraph and the fifth full paragraph under the caption "Various Types of Underwriter Transactions That May Affect the Price of the Bonds"; and (b) under the heading "Other Risks Associated with the Purchase of the Bonds" in the Pricing Prospectus, the first sentence under the caption "The absence of a secondary market for the Bonds might limit your ability to resell Bonds."

B. Final Prospectus

(a) the first sentence and the fifth sentence of the last full paragraph on the cover page of the Final Prospectus; (b) under the heading "PLAN OF DISTRIBUTION" in the Final Prospectus: (i) the entire two paragraphs under the caption "The Underwriters' Sales Price for the Bonds"; (ii) the third sentence under the caption "No Assurance as to Resale Price or Resale Liquidity for the Bonds"; (iii) the entire first full paragraph under the caption "Various Types of Underwriter Transactions That May Affect the Price of the Bonds" (except the last sentence thereof); and (iv) the second sentence of the second full paragraph and the fifth full paragraph under the caption "Various Types of Underwriter Transactions That May Affect the Price of the Bonds"; and (c) under the heading "Other Risks Associated with the Purchase of the Bonds" in the Final Prospectus, the first sentence under the caption "The absence of a secondary market for the Bonds might limit your ability to resell Bonds."

Exhibit 3.2

AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT

OF

CONSUMERS 2023 SECURITIZATION FUNDING LLC

Dated and Effective as of

December 12, 2023

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AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT OF
CONSUMERS 2023 SECURITIZATION FUNDING LLC

This AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT (this "Agreement") of CONSUMERS 2023 SECURITIZATION FUNDING LLC, a Delaware limited liability company (the "Company"), is made and entered into as of December 12, 2023 by CONSUMERS ENERGY COMPANY, a Michigan corporation, as sole equity member of the Company (together with any additional or successor members of the Company, each in their capacity as a member of the Company, other than Special Members, the "Member"), and Albert J. Fioravanti, as the Independent Manager (as defined herein).

WHEREAS, the Member has caused to be filed a Certificate of Formation with the Secretary of State of the State of Delaware to form the Company under and pursuant to the LLC Act and has entered into a Limited Liability Company Agreement of the Company, dated as of August 29, 2023 (the "Original LLC Agreement"); and

WHEREAS, in accordance with the LLC Act, the Member desires to continue the Company without dissolution and enter into this Agreement to amend and restate in its entirety the Original LLC Agreement and to set forth the rights, powers and interests of the Member with respect to the Company and its Membership Interest therein and to provide for the management of the business and operations of the Company.

NOW, THEREFORE, for good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree to amend and restate in its entirety the Original LLC Agreement as follows:

ARTICLE I

GENERAL PROVISIONS

SECTION 1.01 Definitions.

(a) Unless otherwise defined herein, capitalized terms used herein shall have the meanings assigned to them in Appendix A attached hereto. Capitalized terms used herein and not otherwise defined herein and not defined on Appendix A hereto are used as defined in the Indenture.

(b) All terms defined in this Agreement shall have the defined meanings when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein.

(c) The words "hereof," "herein," "hereunder" and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement; Article, Section, Schedule, Exhibit and Appendix references contained in this Agreement are references to Articles, Sections, Schedules, Exhibits and Appendices of or to this Agreement unless otherwise specified; and the terms "includes" and "including" shall mean "includes without limitation" and "including without limitation", respectively.

(d) The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms.

(e) Non-capitalized terms used herein which are defined in the LLC Act, shall, as the context requires, have the meanings assigned to such terms in the LLC Act as of the date hereof, but without giving effect to amendments to the LLC Act.

SECTION 1.02 Sole Member; Registered Office and Agent.

(a) The sole member of the Company shall be Consumers Energy Company, a Michigan corporation, or any successor as sole member pursuant to Sections 1.02(c), 6.06 and 6.07. The registered office and registered agent of the Company in the State of Delaware as of the date hereof shall be The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801. The Member may change said registered office and agent from one location to another in the State of Delaware. The Member shall provide notice of any such change to the Indenture Trustee.

(b) Upon the occurrence of any event that causes the Member to cease to be a member of the Company (other than upon continuation of the Company without dissolution upon the transfer or assignment by the Member of all of its limited liability company interest in the Company and the admission of the transferee or an additional member of the Company pursuant to Sections 1.02(c), 6.06 and 6.07), each Person acting as an Independent Manager pursuant to the terms of this Agreement shall, without any action of any Person and simultaneously with the Member ceasing to be a member of the Company, automatically be admitted to the Company as a Special Member and shall continue the Company without dissolution. No Special Member may resign from the Company or transfer its rights as Special Member unless (i) a successor Special Member has been admitted to the Company as Special Member by executing a counterpart to this Agreement, and (ii) such successor has also accepted its appointment as an Independent Manager pursuant to this Agreement; provided, however, the Special Members shall automatically cease to be members of the Company upon the admission to the Company of a substitute Member. Each Special Member shall be a member of the Company that has no interest in the profits, losses and capital of the Company and has no right to receive any distributions of Company assets (and no Special Member shall be treated as a member of the Company for federal income tax purposes). Pursuant to Section 18-301 of the LLC Act, a Special Member shall not be required to make any capital contributions to the Company and shall not receive a limited liability company interest in the Company. A Special Member, in its capacity as Special Member, may not bind the Company. Except as required by any mandatory provision of the LLC Act, each Special Member, in its capacity as Special Member, shall have no right to vote on, approve or otherwise consent to any action by, or matter relating to, the Company, including the merger, consolidation, division or conversion of the Company. In order to implement the admission to the Company of each Special Member, each Person acting as an Independent Manager pursuant to this Agreement shall execute a counterpart to this Agreement. Prior to its admission to the Company as Special Member, each Person acting as an Independent Manager pursuant to this Agreement shall not be a member of the Company. A "Special Member" means, upon such Person's admission to the Company as a member of the Company pursuant to this Section 1.02(b), a Person acting as an Independent Manager, in such Person's capacity as a member of the Company. A Special Member shall only have the rights and duties expressly set forth in this Agreement. For purposes of this Agreement, a Special Member is not included within the defined term "Member".

(c) The Company may admit additional Members with the affirmative vote of a majority of the Managers, which vote must include the affirmative vote of each Independent Manager. Notwithstanding the preceding sentence, it shall be a condition to the admission of any additional Member that the sole Member shall have received an opinion of outside tax counsel (as selected by the Member in form and substance reasonably satisfactory to the Member and the Indenture Trustee) that the admission of such additional Member shall not cause the Company to be treated, for federal income tax purposes, as having more than a "sole owner" and that the Company shall not be treated, for federal income tax purposes, as an entity separate from such "sole owner".

SECTION 1.03 Other Offices. The Company may have an office at One Energy Plaza, Jackson, Michigan 49201, or at any other offices that may at any time be established by the Member at any place or places within or outside the State of Delaware. The Member shall provide notice to the Indenture Trustee of any change in the location of the Company's office.

SECTION 1.04 Name. The name of the Company shall be "Consumers 2023 Securitization Funding LLC". The name of the Company may be changed from time to time by the Member with ten (10) days' prior written notice to the Managers and the Indenture Trustee, and the filing of an appropriate amendment to the Certificate of Formation with the Secretary of State of the State of Delaware as required by the LLC Act.

SECTION 1.05 Purpose; Nature of Business Permitted; Powers. The purposes for which the Company is formed are limited to:

(a) financing, purchasing, owning, administering, managing and servicing the Securitization Property and the other Securitization Bond Collateral;

(b) authorizing, executing, issuing, delivering and registering the Securitization Bonds;

(c) making payment on the Securitization Bonds;

(d) distributing amounts released to the Company;

(e) managing, selling, assigning, pledging, collecting amounts due on, or otherwise dealing in the Securitization Property and the other Securitization Bond Collateral and related assets;

(f) negotiating, executing, assuming and performing its obligations under the Basic Documents;

(g) pledging its interest in the Securitization Property and the other Securitization Bond Collateral to the Indenture Trustee under the Indenture in order to secure the Securitization Bonds;

(h) filing with the U.S. Securities and Exchange Commission one or more registration statements, including any pre-effective or post-effective amendments thereto and any registration statement filed pursuant to the Securities Act of 1933, as amended (including any prospectus and exhibits contained therein) and file such applications, reports, surety bonds, irrevocable consents, appointments of attorney for service of process and other papers and documents necessary or desirable to register the Securitization Bonds under the securities or "Blue Sky" laws of various jurisdictions; and

(i) performing activities that are necessary, suitable or convenient to accomplish the above purposes.

The Company shall engage only in any activities related to the foregoing purposes or required or authorized by the terms of the Basic Documents or other agreements referenced above. The Company shall have all powers reasonably incidental, necessary, suitable or convenient to effect the foregoing purposes, including all powers granted under the LLC Act. The Company is hereby authorized to execute, deliver and perform, and the Member, any Manager (other than an Independent Manager), or any officer of the Company, acting singly or collectively, on behalf of the Company, are hereby authorized to execute and deliver, the Securitization Bonds, the Basic Documents and all registration statements, documents, agreements, certificates or financing statements contemplated thereby or related thereto, all without any further act, vote or approval of any Member, Manager or other Person, notwithstanding any other provision of this Agreement, the LLC Act, or other applicable law, rule or regulation. Notwithstanding any other provision of this Agreement, the LLC Act or other applicable law, any Basic Document executed prior to the date hereof by any Member, Manager or officer on behalf of the Company is hereby ratified and approved in all respects. The authorization set forth in the two preceding sentences shall not be deemed a restriction on the power and authority of the Member or any Manager, including any Independent Manager, to enter into other agreements or documents on behalf of the Company as authorized pursuant to this Agreement and the LLC Act. The Company shall possess and may exercise all the powers and privileges granted by the LLC Act or by any other law or by this Agreement, together with any powers incidental thereto, insofar as such powers and privileges are incidental, necessary, suitable or convenient to the conduct, promotion or attainment of the business purposes or activities of the Company.

SECTION 1.06 Limited Liability Company Agreement; Certificate of Formation. This Agreement shall constitute a "limited liability company agreement" within the meaning of the LLC Act. Terry L. Christian, as an authorized person within the meaning of the LLC Act, has caused a certificate of formation of the Company to be executed and filed in the office of the Secretary of State of the State of Delaware on August 16, 2023 (such execution and filing being hereby ratified and approved in all respects). Upon the filing of the Certificate of Formation with the Secretary of State of the State of Delaware, their powers as an "authorized person" ceased, and the Member thereupon became the designated "authorized person" and shall continue as the designated "authorized person" within the meaning of the LLC Act. The existence of the Company as a separate legal entity shall continue until the cancellation of the Certificate of Formation of the Company as provided in the LLC Act.

SECTION 1.07 Separate Existence. Except for financial reporting purposes (to the extent required by generally accepted accounting principles) and for U.S. federal income tax purposes and, to the extent consistent with applicable state tax law, state income and franchise tax purposes, the Member and the Managers shall take all steps necessary to continue the identity of the Company as a separate legal entity and to make it apparent to third Persons that the Company is an entity with assets and liabilities distinct from those of the Member, Affiliates of the Member and any other Person, and that, the Company is not a division of any of the Affiliates of the Company or any other Person. In that regard, and without limiting the foregoing in any manner, the Company shall:

(a) maintain the assets of the Company in such a manner that it is not costly or difficult to segregate, identify or ascertain its individual assets from those of any other Person, including any Affiliate;

(b) conduct all transactions with Affiliates on an arm's-length basis;

(c) not guarantee, become obligated for or pay the debts of any Affiliate or hold the credit of the Company out as being available to satisfy the obligations of any Affiliate or other Person (nor, except as contemplated in the Basic Documents, indemnify any Person for losses resulting therefrom), nor, except as contemplated in the Basic Documents, have any of its obligations guaranteed by any Affiliate or hold the Company out as responsible for the debts of any Affiliate or other Person or for the decisions or actions with respect to the business and affairs of any Affiliate, nor seek or obtain credit or incur any obligation to any third party based upon the creditworthiness or assets of any Affiliate or any other Person (i.e. other than based on the assets of the Company) nor allow any Affiliate to do such things based on the credit of the Company;

(d) except as expressly otherwise permitted hereunder or under any of the other Basic Documents, not permit the commingling or pooling of the Company's funds or other assets with the funds or other assets of any Affiliate;

(e) maintain separate deposit and other bank accounts and funds (separately identifiable from those of the Member or any other Person) to which no Affiliate (except Consumers Energy in its capacity as Servicer, Administrator or Sponsor) has any access, which accounts shall be maintained in the name and, to the extent not inconsistent with applicable U.S. federal tax law, with the tax identification number of the Company;

(f) maintain full books of accounts and records (financial or other) and financial statements separate from those of its Affiliates or any other Person, prepared and maintained in accordance with generally accepted accounting principles (including, all resolutions, records, agreements or instruments underlying or regarding the transactions contemplated by the Basic Documents or otherwise) and audited annually by an independent accounting firm which shall provide such audit to the Indenture Trustee;

(g) pay its own liabilities out of its own funds, including fees and expenses of the Administrator pursuant to the Administration Agreement and the Servicer pursuant to the Servicing Agreement;

(h) not hire or maintain any employees, but shall compensate (either directly or through reimbursement of the Company's allocable share of any shared expenses) all consultants, agents and Affiliates, to the extent applicable, for services provided to the Company by such consultants, agents or Affiliates, in each case, from the Company's own funds;

(i) allocate fairly and reasonably the salaries of and the expenses related to providing the benefits of officers or managers shared with the Member, any Special Member, any of its Affiliates or any Manager;

(j) allocate fairly and reasonably any overhead for shared office space;

(k) pay from its own bank accounts for accounting and payroll services, rent, lease and other expenses (or the Company's allocable share of any such amounts provided by one or more other Affiliates) and not have such operating expenses (or the Company's allocable share thereof) paid by any Affiliates; provided, that the Member shall be permitted to pay the initial organization expenses of the Company and certain of the expenses related to the transactions contemplated by the Basic Documents as provided therein;

(l) maintain adequate capitalization to conduct its business and affairs considering the Company's size and the nature of its business and intended purposes and, after giving effect to the transactions contemplated by the Basic Documents, refrain from engaging in a business for which its remaining property represents unreasonably small capital;

(m) conduct all of the Company's business (whether in writing or orally) solely in the name of the Company through the Member and the Company's Managers, officers and agents, hold the Company out as an entity separate from any Affiliate and cause all actions taken on behalf of the Company by individuals who are both Managers or officers of the Company and officers, directors or employees of the Member or any of its other Affiliates to be taken solely in the name and on behalf of the Company, and not in the name or on behalf of the Member or any such other Affiliate;

(n) not make or declare any distributions of cash or property to the Member except in accordance with appropriate limited liability company formalities and only consistent with sound business judgment to the extent that it is permitted pursuant to the Basic Documents and not violative of any applicable law;

(o) otherwise practice and adhere to all limited liability company procedures and formalities to the extent required by this Agreement, all other appropriate constituent documents and the laws of its state of formation and all other appropriate jurisdictions;

(p) not appoint an Affiliate or any employee of an Affiliate as an agent of the Company, except as otherwise permitted in the Basic Documents (although such Persons can qualify as a Manager or as an officer of the Company);

(q) not acquire obligations or securities of or make loans or advances to or pledge its assets for the benefit of any Affiliate, the Member or any Affiliate of the Member (other than the Company);

(r) not permit the Member or any Affiliate to acquire obligations of or make loans or advances to the Company;

(s) except as expressly provided in the Basic Documents, not permit the Member or any Affiliate to guarantee, pay or become liable for the debts of the Company nor permit any such Person to hold out its creditworthiness as being available to pay the liabilities and expenses of the Company nor, except for the indemnities in this Agreement and the other Basic Documents, indemnify any Person for losses resulting therefrom;

(t) maintain separate minutes of the actions of the Member and the Managers, in their capacities as such, including actions with respect to the transactions contemplated by the Basic Documents;

(u) cause (i) all written and oral communications, including letters, invoices, purchase orders, and contracts, of the Company to be made solely in the name of the Company, (ii) the Company to have its own tax identification number (to the extent not inconsistent with applicable federal tax law), stationery, checks and business forms, separate from those of any Affiliate, (iii) all Affiliates not to use the stationery or business forms of the Company, and cause the Company not to use the stationery or business forms of any Affiliate, and (iv) all Affiliates not to conduct business in the name of the Company, and cause the Company not to conduct business in the name of any Affiliate;

(v) direct creditors of the Company to send invoices and other statements of account of the Company directly to the Company and not to any Affiliate and cause the Affiliates to direct their creditors not to send invoices and other statements of accounts of such Affiliates to the Company;

(w) cause the Member to maintain as official records all resolutions, agreements, and other instruments underlying or regarding the transactions contemplated by the Basic Documents;

(x) disclose, and cause the Member to disclose, in its financial statements the effects of all transactions between the Member and the Company in accordance with generally accepted accounting principles, and in a manner which makes it clear that (i) the Company is a separate legal entity, (ii) the assets of the Company (including the Securitization Property transferred to the Company pursuant to the Sale Agreement) are not assets of any Affiliate and are not available to pay creditors of any Affiliate and (iii) neither the Member nor any other Affiliate is liable or responsible for the debts of the Company;

(y) treat and cause the Member to treat the transfer of Securitization Property from the Member to the Company as a sale under the Statute;

(z) except as described herein with respect to tax purposes and financial reporting, describe and cause each Affiliate to describe the Company, and hold the Company out, as a separate legal entity and not as a division or department of any Affiliate, and promptly correct any known misunderstanding regarding the Company's identity separate from any Affiliate or any other Person;

(aa) so long as any of the Securitization Bonds are outstanding, treat the Securitization Bonds as debt for all purposes and specifically as debt of the Company, other than for financial reporting, state or federal regulatory or tax purposes;

(bb) solely for purposes of federal taxes and, to the extent consistent with applicable state, local and other tax law, state, local and other taxes, so long as any of the Securitization Bonds are outstanding, treat the Securitization Bonds as indebtedness of the Member secured by the Securitization Bond Collateral unless otherwise required by appropriate taxing authorities;

(cc) file its own tax returns, if any, as may be required under applicable law, to the extent (i) not part of a consolidated group filing a consolidated return or returns or (ii) not treated as a division or disregarded entity for tax purposes of another taxpayer, and pay any taxes so required to be paid under applicable law;

(dd) maintain its valid existence in good standing under the laws of the State of Delaware and maintain its qualification to do business under the laws of such other jurisdictions as its operations require;

(ee) not form, or cause to be formed, any subsidiaries;

(ff) comply with all laws applicable to the transactions contemplated by this Agreement and the Basic Documents; and

(gg) cause the Member to observe in all material respects all limited liability company procedures and formalities, if any, required by its constituent documents and the laws of its state of formation and all appropriate jurisdictions.

Failure of the Company, or the Member or any Manager on behalf of the Company, to comply with any of the foregoing covenants or any other covenants contained in this Agreement shall not affect the status of the Company as a separate legal entity or the limited liability of the Member or the Managers.

SECTION 1.08 Limitation on Certain Activities. Notwithstanding any other provisions of this Agreement and any provision of law that otherwise so empowers the Company, the Member or any Manager or any other Person, the Company, and the Member or Managers or any other Person on behalf of the Company, shall not:

(a) engage in any business or activity other than as set forth in Article I hereof;

(b) without the affirmative vote of the Member and the unanimous affirmative vote of all of the Managers, including each Independent Manager, file a voluntary bankruptcy petition for relief with respect to the Company under the Bankruptcy Code or any other state, local, federal, foreign or other law relating to bankruptcy, consent to the institution of insolvency or bankruptcy proceedings against the Company or otherwise institute insolvency or bankruptcy proceedings with respect to the Company or take any limited liability company action in furtherance of any such filing or institution of a proceeding; provided however, that neither the Member nor any Manager may authorize the taking of any of the foregoing actions unless there is at least one Independent Manager then serving in such capacity;

(c) without the affirmative vote of all Managers, including each Independent Manager, and then only to the extent permitted by the Basic Documents, convert, merge or consolidate with any other Person or sell all or substantially all of its assets or acquire all or substantially all of the assets or capital stock or other ownership interest of any other Person;

(d) take any action, file any tax return, or make any election inconsistent with the treatment of the Company, for purposes of federal income taxes and, to the extent consistent with applicable state tax law, state income and franchise tax purposes, as a disregarded entity that is not separate from the Member;

(e) incur any indebtedness or assume or guarantee any indebtedness of any Person (other than the indebtedness incurred under the Basic Documents);

(f) issue any bonds other than the Securitization Bonds contemplated by the Basic Documents; or

(g) to the fullest extent permitted by law, without the affirmative vote of its Member and the affirmative vote of all Managers, including each Independent Manager, execute any dissolution, division, liquidation, or winding up of the Company.

So long as any of the Securitization Bonds are outstanding, the Company and the Member shall give written notice to each applicable Rating Agency of any action described in clauses (b), (c) or (g) of this Section 1.08 which is taken by or on behalf of the Company with the required affirmative vote of the Member and all Managers as therein described.

SECTION 1.09 No State Law Partnership. No provisions of this Agreement shall be deemed or construed to constitute a partnership (including a limited partnership) or joint venture, or the Member a partner or joint venturer of or with any Manager or the Company, for any purposes.

ARTICLE II

CAPITAL

SECTION 2.01 Initial Capital. The initial capital of the Company shall be the sum of cash contributed to the Company by the Member (the "Capital Contribution") in the amount set out opposite the name of the Member on Schedule A hereto, as amended from time to time and incorporated herein by this reference.

SECTION 2.02 Additional Capital Contributions. The assets of the Company are expected to generate a return sufficient to satisfy all obligations of the Company under this Agreement and the other Basic Documents and any other obligations of the Company. It is expected that no capital contributions to the Company will be necessary after the purchase of the Securitization Property. On or prior to the date of issuance of the Securitization Bonds, the Member shall make an additional contribution to the Company in an amount equal to at least 0.50% of the initial principal amount of the Securitization Bonds or such greater amount as agreed to by the Member in connection with the issuance by the Company of the Securitization Bonds, which amount the Company shall deposit into the Capital Subaccount established by the Indenture Trustee as provided in the Indenture. No capital contribution by the Member to the Company will be made for the purpose of mitigating losses on Securitization Property that has previously been transferred to the Company, and all capital contributions shall be made in accordance with all applicable limited liability company procedures and requirements, including proper record keeping by the Member and the Company. The Managers acknowledge and agree that, notwithstanding anything in this Agreement to the contrary, such additional contribution will be managed by an investment manager selected by the Indenture Trustee who shall invest such amounts only in investments eligible pursuant to the Basic Documents, and all income earned thereon shall be allocated or paid by the Indenture Trustee in accordance with the provisions of the Indenture.

SECTION 2.03 Capital Account. A Capital Account shall be established and maintained for the Member on the Company's books (the "Capital Account").

SECTION 2.04 Interest on Capital Account. No interest shall be paid or credited to the Member on its Capital Account or upon any undistributed profits left on deposit with the Company. Except as provided herein or by law, the Member shall have no right to demand or receive the return of its Capital Contribution.

ARTICLE III

ALLOCATIONS; BOOKS

SECTION 3.01 Allocations of Income and Loss.

(a) Book Allocations. The net income and net loss of the Company shall be allocated entirely to the Member.

(b) Tax Allocations. Because the Company is not making (and will not make) an election to be treated as an association taxable as a corporation under Section 301.7701-3(a) of the Treasury Regulations, and because the Company is a business entity that has a single owner and is not a corporation, it is expected to be disregarded as an entity separate from its owner for federal income tax purposes under Section 301.7701-3(b)(1) of the Treasury Regulations. Accordingly, all items of income, gain, loss, deduction and credit of the Company for all taxable periods will be treated for federal income tax purposes, and for state and local income and other tax purposes to the extent permitted by applicable law, as realized or incurred directly by the Member. To the extent not so permitted, all items of income, gain, loss, deduction and credit of the Company shall be allocated entirely to the Member as permitted by applicable tax law**, and the Member shall pay (or indemnify the Company, the Indenture Trustee and each of their officers, managers, employees or agents for, and defend and hold harmless each such Person from and against its payment of) any taxes levied or assessed upon all or any part of the Company's property or assets based on existing law as of the date hereof, including any sales, gross receipts, general corporation, personal property, privilege, franchise or license taxes (but excluding any taxes imposed as a result of a failure of such person to properly withhold or remit taxes imposed with respect to payments on any Securitization Bond).** The Indenture Trustee (on behalf of the Secured Parties) shall be a third party beneficiary of the Member's obligations set forth in this Section 3.01, it being understood that Holders shall be entitled to enforce their rights against the Member under this Section 3.01 solely through a cause of action brought for their benefit by the Indenture Trustee.

SECTION 3.02 Company to be Disregarded for Tax Purposes. The Company shall comply with the applicable provisions of the Code and the applicable Treasury Regulations thereunder in the manner necessary to effect the intention of the parties that the Company be treated, for federal income tax purposes, as a disregarded entity that is not separate from the Member pursuant to Treasury Regulations Section 301.7701-1 et seq. and that the Company be accorded such treatment until its dissolution pursuant to Article IX hereof and shall take all actions, and shall refrain from taking any action, required by the Code or Treasury Regulations thereunder in order to maintain such status of the Company. In addition, for federal income tax purposes, the Company may not claim any credit on, or make any deduction from the principal or premium, if any, or interest payable in respect of, the Securitization Bonds (other than amounts properly withheld from such payments under the Code or other tax laws) or assert any claim against any present or former Holder by reason of the payment of the taxes levied or assessed upon any part of the Securitization Bond Collateral.

SECTION 3.03 Books of Account. At all times during the continuance of the Company, the Company shall maintain or cause to be maintained full, true, complete and correct books of account in accordance with generally accepted accounting principles, using the fiscal year and taxable year of the Member. In addition, the Company shall keep all records required to be kept pursuant to the LLC Act.

SECTION 3.04 Access to Accounting Records. All books and records of the Company shall be maintained at any office of the Company or at the Company's principal place of business, and the Member, and its duly authorized representative, shall have access to them at such office of the Company and the right to inspect and copy them at reasonable times.

SECTION 3.05 Annual Tax Information. The Managers shall cause the Company to deliver to the Member all information necessary for the preparation of the Member's federal income tax return.

SECTION 3.06 Internal Revenue Service Communications. The Member shall communicate and negotiate with the Internal Revenue Service on any federal tax matter on behalf of the Member and the Company.

ARTICLE IV

MEMBER

SECTION 4.01 Powers. Subject to the provisions of this Agreement and the LLC Act, all powers shall be exercised by or under the authority of, and the business and affairs of the Company shall be controlled by, the Member pursuant to Section 4.04. The Member may delegate any or all such powers to the Managers. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the Member shall have the following powers:

(a) To select and remove the Managers and all officers and agents of the Company, prescribe such powers and duties for them as may be consistent with the LLC Act and other applicable law and this Agreement, fix their compensation, and require from them security for faithful service; provided, that, except as provided in Section 7.06, at all times during which the Securitization Bonds are Outstanding and the Indenture remains in full force and effect (and otherwise in accordance with the Indenture) the Company shall have at least one Independent Manager. Prior to issuance of any Securitization Bonds, the Member shall appoint at least one Independent Manager. An "Independent Manager" means an individual who (1) has prior experience as an independent director, independent manager or independent member for special-purpose entities, (2) is employed by a nationally-recognized company that provides professional independent managers and other corporate services in the ordinary course of its business, (3) is duly appointed as an Independent Manager of the Company and (4) is not and has not been for at least five years from the date of his or her appointment, and while serving as an Independent Manager of the Company will not be any of the following:

(i) a member (other than a special member), partner, equityholder, manager, director, officer, agent, consultant, attorney, accountant, advisor or employee of the Company, the Member or any of their respective equityholders or Affiliates (other than as an independent director, independent manager or special member of the Company or an Affiliate of the Company that is a special purpose bankruptcy-remote entity); provided, that the indirect or beneficial ownership of stock of the Member or its affiliates through a mutual fund or similar diversified investment vehicle with respect to which the owner does not have discretion or control over the investments held by such diversified investment vehicle shall not preclude such owner from being an Independent Manager;

(ii) a creditor, supplier or service provider (including provider of professional services) to the Company, the Member or any of their respective equityholders or Affiliates (other than a nationally-recognized company that routinely provides professional independent managers and other corporate services to the Company, the Member or any of their Affiliates in the ordinary course of its business);

(iii) a family member of any such Person described in clauses (i) or (ii) above; or

(iv) a Person that controls (whether directly, indirectly or otherwise) any such Person described in clauses (i), (ii) or (iii) above.

A natural person who otherwise satisfies the foregoing definition and satisfies subparagraph (i) by reason of being the independent manager or independent director of a "special purpose entity" affiliated with the Company shall be qualified to serve as an Independent Manager of the Company, provided that the fees that such individual earns from serving as an independent manager or independent director of affiliates of the Company in any given year constitute in the aggregate less than five percent (5%) of such individual's annual income for that year. For purposes of this paragraph, a "special purpose entity" is an entity, whose organizational documents contain restrictions on its activities and impose requirements intended to preserve such entity's separateness that are substantially similar to the Special Purpose Provisions of this Agreement.

The Company shall pay each Independent Manager annual fees totaling not more than $10,000 per year (the "Independent Manager Fee"). Such fees shall be determined without regard to the income of the Company, shall not be deemed to constitute distributions to the recipient of any profit, loss or capital of the Company and shall be considered a fixed Operating Expense of the Company, subject to the limitations on such expenses set forth in the Financing Order. Each Manager, including each Independent Manager, is hereby deemed to be a "manager" within the meaning of Section 18-101(12) of the LLC Act.

Promptly following any resignation or replacement of any Independent Manager, the Member shall give written notice to each applicable Rating Agency of any such resignation or replacement.

(b) Subject to Sections 1.07 and 1.08 and Article VII hereof, to conduct, manage and control the affairs and business of the Company, and to make such rules and regulations therefor, consistent with the LLC Act and other applicable law and this Agreement.

(c) To change the registered agent and office of the Company in Delaware from one location to another; to fix and locate from time to time one or more other offices of the Company; and to designate any place within or without the State of Delaware for the conduct of the business of the Company.

SECTION 4.02 Compensation of Member. To the extent permitted by applicable law, the Company shall have authority to reimburse the Member for out-of-pocket expenses incurred by the Member in connection with its service to the Company. It is understood that the compensation paid to the Member under the provisions of this Section 4.02 shall be determined without regard to the income of the Company, shall not, to the fullest extent permitted by law, be deemed to constitute distributions to the recipient of any profit, loss or capital of the Company and shall be considered an Ongoing Other Qualified Cost of the Company subject to the limitations on such expenses set forth in the Financing Order.

SECTION 4.03 Other Ventures. Notwithstanding any duties (including fiduciary duties) otherwise existing at law or in equity, it is expressly agreed that the Member, the Managers and any Affiliates, officers, directors, managers, stockholders, partners or employees of the Member, may engage in other business ventures of any nature and description, whether or not in competition with the Company, independently or with others, and the Company shall not have any rights in and to any independent venture or activity or the income or profits derived therefrom.

SECTION 4.04 Actions by the Member. All actions of the Member may be taken by written resolution of the Member which shall be signed on behalf of the Member by an authorized officer of the Member and filed with the records of the Company.

ARTICLE V

OFFICERS

SECTION 5.01 Designation; Term; Qualifications.

(a) Officers. Subject to the last sentence of this Section 5.01(a), the Managers may, from time to time, designate one or more Persons to be officers of the Company. Any officer so designated shall have such title and authority and perform such duties as the Managers may, from time to time, delegate to them. Each officer shall hold office for the term for which such officer is designated and until its successor shall be duly designated and shall qualify or until its death, resignation or removal as provided in this Agreement. Any Person may hold any number of offices. No officer need be a Manager, the Member, a Delaware resident, or a United States citizen. The Member hereby confirms the appointment of the Persons identified on Schedule C to be the officers of the Company as of the date hereof.

(b) President. The President shall be the chief executive officer of the Company, shall preside at all meetings of the Managers, shall be responsible for the general and active management of the business of the Company and shall see that all orders and resolutions of the Managers are carried into effect. The President or any other officer authorized by the President or the Managers may execute all contracts, except: (i) where required or permitted by law or this Agreement to be otherwise signed and executed, including Section 1.08; and (ii) where signing and execution thereof shall be expressly delegated by the Managers to some other officer or agent of the Company.

(c) Vice President. In the absence of the President or in the event of the President's inability to act, the Vice President, if any (or in the event there be more than one Vice President, the Vice Presidents in the order designated by the Managers, or in the absence of any designation, then in the order of their election), shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice Presidents, if any, shall perform such other duties and have such other powers as the Managers may from time to time prescribe.

(d) Secretary and Assistant Secretary. The Secretary shall be responsible for filing legal documents and maintaining records for the Company. The Secretary shall attend all meetings of the Managers and record all the proceedings of the meetings of the Company and of the Managers in a book to be kept for that purpose and shall perform like duties for the standing committees when required. The Secretary shall give, or shall cause to be given, notice of all meetings of the Member, if any, and special meetings of the Managers, and shall perform such other duties as may be prescribed by the Managers or the President, under whose supervision the Secretary shall serve. The Assistant Secretary, or if there be more than one, the Assistant Secretaries in the order determined by the Managers (or if there be no such determination, then in order of their designation), shall, in the absence of the Secretary or in the event of the Secretary's inability to act, perform the duties and exercise the powers of the Secretary and shall perform such other duties and have such other powers as the Managers may from time to time prescribe.

(e) Treasurer and Assistant Treasurer. The Treasurer shall have the custody of the Company funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Company and shall deposit all moneys and other valuable effects in the name and to the credit of the Company in such depositories as may be designated by the Manager. The Treasurer shall disburse the funds of the Company as may be ordered by the Manager, taking proper vouchers for such disbursements, and shall render to the President and to the Managers, at its regular meetings or when the Managers so require, an account of all of the Treasurer's transactions and of the financial condition of the Company. The Assistant Treasurer, or if there shall be more than one, the Assistant Treasurers in the order determined by the Managers (or if there be no such determination, then in the order of their designation), shall, in the absence of the Treasurer or in the event of the Treasurer's inability to act, perform the duties and exercise the powers of the Treasurer and shall perform such other duties and have such other powers as the Managers may from time to time prescribe.

(f) Officers as Agents. The officers of the Company, to the extent their powers as set forth in this Agreement or otherwise vested in them by action of the Managers are not inconsistent with this Agreement, are agents of the Company for the purpose of the Company's business and, subject to Section 1.08, the actions of the officers taken in accordance with such powers shall bind the Company.

(g) Duties of Managers and Officers. Except to the extent otherwise provided herein, each Manager (other than an Independent Manager) and officer of the Company shall have a fiduciary duty of loyalty and care similar to that of directors and officers of business corporations organized under the General Corporation Law of the State of Delaware.

SECTION 5.02 Removal and Resignation. Any officer of the Company may be removed as such, with or without cause, by the Managers at any time. Any officer of the Company may resign as such at any time upon written notice to the Company. Such resignation shall be made in writing and shall take effect at the time specified therein or, if no time is specified therein, at the time of its receipt by the Managers.

SECTION 5.03 Vacancies. Any vacancy occurring in any office of the Company may be filled by the Managers.

SECTION 5.04 Compensation. The compensation, if any, of the officers of the Company shall be fixed from time to time by the Managers. Such compensation shall be determined without regard to the income of the Company, shall not be deemed to constitute distributions to the recipient of any profit, loss or capital of the Company and shall be considered a fixed Operating Expense of the Company subject to the limitations on such expenses set forth in the Financing Order.

ARTICLE VI

MEMBERSHIP INTEREST

SECTION 6.01 General. "Membership Interest" means the limited liability company interest of the Member in the Company. The Membership Interest constitutes personal property and, subject to Section 6.06, shall be freely transferable and assignable in whole but not in part upon registration of such transfer and assignment on the books of the Company in accordance with the procedures established for such purpose by the Managers of the Company.

SECTION 6.02 Distributions. The Member shall be entitled to receive, out of the assets of the Company legally available therefor, distributions payable in cash in such amounts, if any, as the Managers shall declare. Notwithstanding any provision to the contrary contained in this Agreement, the Company shall not make a distribution to the Member on account of its interest in the Company if such distribution would violate the LLC Act or any other applicable law or any Basic Document.

SECTION 6.03 Rights on Liquidation, Dissolution or Winding Up.

(a) In the event of any liquidation, dissolution or winding up of the Company, the Member shall be entitled to all remaining assets of the Company available for distribution to the Member after satisfaction (whether by payment or reasonable provision for payment) of all liabilities, debts and obligations of the Company.

(b) Neither the sale of all or substantially all of the property or business of the Company, nor the merger or consolidation of the Company into or with another Person or other entity, shall be deemed to be a dissolution, liquidation or winding up, voluntary or involuntary, for the purpose of this Section 6.03.

SECTION 6.04 Redemption. The Membership Interest shall not be redeemable.

SECTION 6.05 Voting Rights. Subject to the terms of this Agreement, the Member shall have the sole right to vote on all matters as to which members of a limited liability company shall be entitled to vote pursuant to the LLC Act and other applicable law.

SECTION 6.06 Transfer of Membership Interests.

(a) The Member may transfer its Membership Interest, in whole but not in part, but the transferee shall not be admitted as a Member except in accordance with Section 6.07. Until the transferee is admitted as a Member, the Member shall continue to be the sole member of the Company (subject to Section 1.02) and to be entitled to exercise any rights or powers of a Member of the Company with respect to the Membership Interest transferred.

(b) To the fullest extent permitted by law, any purported transfer of any Membership Interest in violation of the provisions of this Agreement shall be wholly void and shall not effectuate the transfer contemplated thereby. Notwithstanding anything contained herein to the contrary and to the fullest extent permitted by law, the Member may not transfer any Membership Interest in violation of any provision of this Agreement or in violation of any applicable federal or state securities laws.

SECTION 6.07 Admission of Transferee as Member.

(a) A transferee of a Membership Interest desiring to be admitted as a Member must execute a counterpart of, or an agreement adopting, this Agreement and, except as permitted by paragraph (b) below, shall not be admitted without unanimous affirmative vote of the Managers, which vote must include the affirmative vote of each Independent Manager. Upon admission of the transferee as a Member, the transferee shall have the rights, powers and duties and shall be subject to the restrictions and liabilities of the Member under this Agreement and the LLC Act. The transferee shall also be liable, to the extent of the Membership Interest transferred, for the unfulfilled obligations, if any, of the transferor Member to make capital contributions to the Company, but shall not be obligated for liabilities unknown to the transferee at the time such transferee was admitted as a Member and that could not be ascertained from this Agreement. Except as set forth in paragraph (b) below, whether or not the transferee of a Membership Interest becomes a Member, the Member transferring the Membership Interest is not released from any liability to the Company under this Agreement or the LLC Act.

(b) The approval of the Managers, including each Independent Manager, shall not be required for the transfer of the Membership Interest from the Member to any successor pursuant to Section 5.02 of the Sale Agreement or the admission of such Person as a Member. Once the transferee of a Membership Interest pursuant to this paragraph (b) becomes a Member, the prior Member shall cease to be a member of the Company and shall be released from any liability to the Company under this Agreement and the LLC Act to the fullest extent permitted by law and the Company shall continue without dissolution.

ARTICLE VII

MANAGERS

SECTION 7.01 Managers.

(a) Subject to Sections 1.07 and 1.08, the business and affairs of the Company shall be managed by or under the direction of two or more Managers designated by the Member. Subject to the terms of this Agreement, the Member may determine at any time in its sole and absolute discretion the number of Managers. Subject in all cases to the terms of this Agreement, the authorized number of Managers may be increased or decreased by the Member at any time in its sole and absolute discretion, upon notice to all Managers; provided, that, except as provided in Section 7.06, at all times the Company shall have at least one Independent Manager. The initial number of Managers shall be four, one of which shall be an Independent Manager. Each Manager designated by the Member shall hold office until a successor is elected and qualified or until such Manager's earlier death, resignation, expulsion or removal. Each Manager shall execute and deliver the Management Agreement in the form attached hereto as Exhibit A. Managers need not be a Member. The initial Managers designated by the Member as of the date hereof are listed on Schedule B hereto.

(b) Each Manager shall be designated by the Member and shall hold office for the term for which designated and until a successor has been designated.

(c) The Managers shall be obliged to devote only as much of their time to the Company's business as shall be reasonably required in light of the Company's business and objectives. Except as otherwise provided in Section 7.02 with respect to an Independent Manager, a Manager shall perform his or her duties as a Manager in good faith, in a manner he or she reasonably believes to be in the best interests of the Company, and with such care as an ordinarily prudent Person in a like position would use under similar circumstances.

(d) Except as otherwise provided in this Agreement, the Managers shall act by the affirmative vote of a majority of the Managers. Each Manager shall have the authority to sign duly authorized agreements and other instruments on behalf of the Company without the joinder of any other Manager.

(e) Subject to the terms of this Agreement, any action may be taken by the Managers without a meeting and without prior notice if authorized by the written consent of a majority of the Managers (or such greater number as is required by this Agreement), which written consent shall be filed with the records of the Company.

(f) Every Manager is an agent of the Company for the purpose of its business, and the act of every Manager, including the execution in the Company name of any instrument for carrying on the business of the Company, binds the Company, unless such act is in contravention of this Agreement or unless the Manager so acting otherwise lacks the authority to act for the Company and the Person with whom he or she is dealing has knowledge of the fact that he or she has no such authority.

(g) To the extent permitted by law, the Managers shall not be personally liable for the Company's debts, obligations or liabilities.

SECTION 7.02 Powers of the Managers. Subject to the terms of this Agreement, the Managers shall have the right and authority to take all actions which the Managers deem incidental, necessary, suitable or convenient for the day-to-day management and conduct of the Company's business.

Each Independent Manager may not delegate his or her duties, authorities or responsibilities hereunder. If any Independent Manager resigns, dies or becomes incapacitated, or such position is otherwise vacant, no action requiring the unanimous affirmative vote of the Managers shall be taken until a successor Independent Manager is appointed by the Member and qualifies and approves such action.

To the fullest extent permitted by law, including Section 18-1101(c) of the LLC Act, and notwithstanding any duty otherwise existing at law or in equity, each Independent Manager shall consider only the interests of the Company, including its creditors, in acting or otherwise voting on the matters referred to in Section 1.08. Except for duties to the Company as set forth in the immediately preceding sentence (including duties to the Member and the Company's creditors solely to the extent of their respective economic interests in the Company but excluding (i) all other interests of the Member, (ii) the interests of other Affiliates of the Company, and (iii) the interests of any group of Affiliates of which the Company is a part), no Independent Manager shall have any fiduciary duties to the Member, any Manager or any other Person bound by this Agreement; provided, however, the foregoing shall not eliminate the implied contractual covenant of good faith and fair dealing. To the fullest extent permitted by law, including Section 18-1101(e) of the LLC Act, an Independent Manager shall not be liable to the Company, the Member or any other Person bound by this Agreement for breach of contract or breach of duties (including fiduciary duties), unless such Independent Manager acted in bad faith or engaged in willful misconduct.

No Independent Manager shall at any time serve as trustee in bankruptcy for any Affiliate of the Company.

Subject to the terms of this Agreement, the Managers may exercise all powers of the Company and do all such lawful acts and things as are not prohibited by the LLC Act, other applicable law or this Agreement directed or required to be exercised or done by the Member. All duly authorized instruments, contracts, agreements and documents providing for the acquisition or disposition of property of the Company shall be valid and binding on the Company if executed by one or more of the Managers.

Notwithstanding the terms of Section 7.01, 7.07 or 7.09 or any provision of this Agreement to the contrary, (x) no meeting or vote with respect to any action described in clause (b), (c) or (g) of Section 1.08 or any amendment to any of the Special Purpose Provisions shall be conducted unless each Independent Manager is present and (y) neither the Company nor the Member, any Manager or any officer on behalf of the Company shall (i) take any action described in clause (b), (c) or (g) of Section 1.08 or (ii) adopt any amendment to any of the Special Purpose Provisions unless each Independent Manager has consented thereto. The vote or consent of an Independent Manager with respect to any such action or amendment shall not be dictated by the Member or any other Manager or officer of the Company.

SECTION 7.03 Reimbursement. To the extent permitted by applicable law, the Company may reimburse any Manager, directly or indirectly, for reasonable out-of-pocket expenses incurred by such Manager in connection with its services rendered to the Company. Such reimbursement shall be determined by the Managers without regard to the income of the Company, shall not be deemed to constitute distributions to the recipient of any profit, loss or capital of the Company and shall be considered a fixed Operating Expense of the Company subject to the limitations on such expenses set forth in the Financing Order.

SECTION 7.04 Removal of Managers.

(a) Subject to Section 4.01, the Member may remove any Manager with or without cause at any time.

(b) Subject to Sections 4.01 and 7.05, any removal of a Manager shall become effective on such date as may be specified by the Member and in a notice delivered to any remaining Managers or the Manager designated to replace the removed Manager (except that it shall not be effective on a date earlier than the date such notice is delivered to the remaining Managers or the Manager designated to replace the removed Manager). Should a Manager be removed who is also the Member, the Member shall continue to participate in the Company as the Member and receive its share of the Company's income, gains, losses, deductions and credits pursuant to this Agreement.

SECTION 7.05 Resignation of Manager. A Manager other than an Independent Manager may resign as a Manager at any time by thirty (30) days' prior notice to the Member. An Independent Manager may not withdraw or resign as a Manager of the Company without the consent of the Member. No resignation or removal of an Independent Manager, and no appointment of a successor Independent Manager, shall be effective until such successor (i) shall have accepted his or her appointment as an Independent Manager by a written instrument, which may be a counterpart signature page to the Management Agreement in the form attached hereto at Exhibit A, and (ii) shall have executed a counterpart to this Agreement.

SECTION 7.06 Vacancies. Subject to Section 4.01, any vacancies among the Managers may be filled by the Member. In the event of a vacancy in the position of Independent Manager, the Member shall, as soon as practicable, appoint a successor Independent Manager. Notwithstanding anything to the contrary contained in this Agreement, no Independent Manager shall be removed or replaced unless the Company provides the Indenture Trustee with no less than two (2) business days' prior written notice of (a) any proposed removal of such Independent Manager, and (b) the identity of the proposed replacement Independent Manager, together with a certification that such replacement satisfies the requirements for an Independent Manager set forth in this Agreement.

SECTION 7.07 Meetings of the Managers. The Managers may hold meetings, both regular and special, within or outside the State of Delaware. Regular meetings of the Managers may be held without notice at such time and at such place as shall from time to time be determined by the Managers. Special meetings of the Managers may be called by the President on not less than one day's notice to each Manager by telephone, facsimile, mail, email, any form of electronic transmission or any other means of communication, and special meetings shall be called by the President or Secretary in like manner and with like notice upon the written request of any one or more of the Managers.

SECTION 7.08 Electronic Communications. Managers, or any committee designated by the Managers, may participate in meetings of the Managers, or any committee, by means of telephone or video conference, electronic transmission or similar communications equipment that allows all Persons participating in the meeting to hear each other, and such participation in a meeting shall constitute presence in Person at the meeting. If all the participants are participating by telephone or video conference or similar communications equipment, the meeting shall be deemed to be held at the principal place of business of the Company.

SECTION 7.09 Committees of Managers.

(a) The Managers may, by resolution passed by a majority of the Managers, designate one or more committees, each committee to consist of one or more of the Managers. The Managers may designate one or more Managers as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee.

(b) In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such members constitute a quorum, may unanimously appoint another Manager to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Managers, shall have and may exercise all the powers and authority of the Managers in the management of the business and affairs of the Company. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Managers. Each committee shall keep regular minutes of its meetings and report the same to the Managers when required.

SECTION 7.10 Limitations on Independent Manager(s). All right, power and authority of each Independent Manager shall be limited to the extent necessary to exercise those rights and perform those duties specifically set forth in this Agreement.

ARTICLE VIII

EXPENSES

SECTION 8.01 Expenses. Except as otherwise provided in this Agreement or the other Basic Documents, the Company shall be responsible for all expenses and the allocation thereof including without limitation:

(a) all expenses incurred by the Member or its Affiliates in organizing the Company;

(b) all expenses related to the business of the Company and all routine administrative expenses of the Company, including the maintenance of books and records of the Company, and the preparation and dispatch to the Member of checks, financial reports, tax returns and notices required pursuant to this Agreement;

(c) all expenses incurred in connection with any litigation or arbitration involving the Company (including the cost of any investigation and preparation) and the amount of any judgment or settlement paid in connection therewith;

(d) all expenses for indemnity or contribution payable by the Company to any Person;

(e) all expenses incurred in connection with the collection of amounts due to the Company from any Person;

(f) all expenses incurred in connection with the preparation of amendments to this Agreement;

(g) all expenses incurred in connection with the liquidation, dissolution and winding up of the Company; and

(h) all expenses otherwise allocated in good faith to the Company by the Managers.

ARTICLE IX

PERPETUAL EXISTENCE; DISSOLUTION, LIQUIDATION AND WINDING-UP

SECTION 9.01 Existence.

(a) The Company shall have a perpetual existence, unless dissolved in accordance with this Agreement. So long as any of the Securitization Bonds are outstanding, to the fullest extent permitted by law, the Member shall not be entitled to consent to the dissolution of the Company.

(b) Notwithstanding any provision of this Agreement, the Bankruptcy of the Member or a Special Member will not cause such Member or Special Member, respectively, to cease to be a member of the Company, and upon the occurrence of such an event, the business of the Company shall continue without dissolution. To the fullest extent permitted by law, the dissolution of the Member will not cause the Member to cease to be a member of the Company, and upon the occurrence of such an event, the Company shall, to the fullest extent permitted by law, continue without dissolution. For purposes of this Section 9.01(b), "Bankruptcy" means, with respect to any Person (A) if such Person (i) makes an assignment for the benefit of creditors, (ii) files a voluntary petition in bankruptcy, (iii) is adjudged a bankrupt or insolvent, or has entered against it an order for relief, in any bankruptcy or insolvency proceedings, (iv) files a petition or answer seeking for itself any reorganization, arrangement, composition, readjustment, liquidation or similar relief under any statute, law or regulation, (v) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against it in any proceeding of this nature, or (vi) seeks, consents to or acquiesces in the appointment of a trustee, receiver or liquidator of the Person or of all or any substantial part of its properties, or (B) if 120 days after the commencement of any proceeding against the Person seeking reorganization, arrangement, composition, readjustment, liquidation or similar relief under any statute, law or regulation, the proceeding has not been dismissed or if within 90 days after the appointment without such Person's consent or acquiescence of a trustee, receiver or liquidator of such Person or of all or any substantial part of its properties, the appointment is not vacated or stayed, or within 90 days after the expiration of any such stay, the appointment is not vacated. The foregoing definition of "Bankruptcy" is intended to replace and shall supersede and replace the definition of "Bankruptcy" set forth in Sections 18-101(1) and 18-304 of the LLC Act. Upon the occurrence of any event that causes the last remaining member of the Company to cease to be a member of the Company or that causes the Member to cease to be a member of the Company (other than upon continuation of the Company without dissolution upon an assignment by the Member of all of its limited liability company interest in the Company and the admission of the transferee pursuant to Sections 6.06 and 6.07), to the fullest extent permitted by law, the personal representative of such member is hereby authorized to, and shall, within ninety (90) days after the occurrence of the event that terminated the continued membership of such member in the Company, agree in writing (i) to continue the Company and (ii) to the admission of the personal representative or its nominee or designee, as the case may be, as a substitute member of the Company, effective as of the occurrence of the event that terminated the continued membership of the last remaining member of the Company or the Member in the Company.

SECTION 9.02 Dissolution. The Company shall be dissolved and its affairs shall be wound up upon the occurrence of the earliest of the following events:

(a) subject to Section 1.08, the election to dissolve the Company made in writing by the Member and each Manager, including each Independent Manager, as permitted under the Basic Documents and after the discharge in full of the Securitization Bonds;

(b) the termination of the legal existence of the last remaining member of the Company or the occurrence of any event that causes the last remaining member of the Company to cease to be a member of the Company unless the business of the Company is continued without dissolution in a manner permitted by the LLC Act or this Agreement; or

(c) the entry of a decree of judicial dissolution of the Company pursuant to Section 18-802 of the LLC Act.

SECTION 9.03 Accounting. In the event of the dissolution, liquidation and winding-up of the Company, a proper accounting shall be made of the Capital Account of the Member and of the net income or net loss of the Company from the date of the last previous accounting to the date of dissolution.

SECTION 9.04 Certificate of Cancellation. As soon as possible following the occurrence of any of the events specified in Section 9.02 and the completion of the winding up of the Company, the Person winding up the business and affairs of the Company, as an authorized person, shall cause to be executed a Certificate of Cancellation of the Certificate of Formation and file the Certificate of Cancellation of the Certificate of Formation as required by the LLC Act.

SECTION 9.05 Winding Up. Upon the occurrence of any event specified in Section 9.02, the Company shall continue solely for the purpose of winding up its affairs in an orderly manner, liquidating its assets, and satisfying the claims of its creditors. The Member, or if there is no Member, the Managers, shall be responsible for overseeing the winding up and liquidation of the Company, shall take full account of the liabilities of the Company and its assets, shall either cause its assets to be sold or distributed, and if sold as promptly as is consistent with obtaining the fair market value thereof, shall cause the proceeds therefrom, to the extent sufficient therefor, to be applied and distributed as provided in Section 9.06.

SECTION 9.06 Order of Payment of Liabilities Upon Dissolution. After determining that all debts and liabilities of the Company, including all contingent, conditional or unmatured liabilities of the Company, in the process of winding-up, including, without limitation, debts and liabilities to the Member in the event it is a creditor of the Company to the extent otherwise permitted by law, have been paid or adequately provided for, the remaining assets shall be distributed in cash or in kind to the Member.

SECTION 9.07 Limitations on Payments Made in Dissolution. Except as otherwise specifically provided in this Agreement, the Member shall only be entitled to look solely to the assets of Company for the return of its positive Capital Account balance and shall have no recourse for its Capital Contribution and/or share of net income (upon dissolution or otherwise) against any Manager.

SECTION 9.08 Limitation on Liability. Except as otherwise provided by the LLC Act and except as otherwise characterized for tax and financial reporting purposes, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and no Member or Manager shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Member or a Manager.

ARTICLE X

INDEMNIFICATION

SECTION 10.01 Indemnity. Subject to the provisions of Section 10.04 hereof, to the fullest extent permitted by law, the Company shall indemnify any Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, except an action by or in the right of the Company, by reason of the fact that such Person is or was a Manager, Member, officer, controlling Person, legal representative or agent of the Company, or is or was serving at the request of the Company as a member, manager, director, officer, partner, shareholder, controlling Person, legal representative or agent of another limited liability company, partnership, corporation, joint venture, trust or other enterprise, against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by such Person in connection with the action, suit or proceeding if such Person acted in good faith and in a manner which such Person reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to a criminal action or proceeding, had no reasonable cause to believe such Person's conduct was unlawful; provided that such Person shall not be entitled to indemnification if such judgment, penalty, fine or other expense was directly caused by such Person's fraud, gross negligence or willful misconduct or, in the case of an Independent Manager, bad faith or willful misconduct.

SECTION 10.02 Indemnity for Actions By or In the Right of the Company. Subject to the provisions of Section 10.04 hereof, to the fullest extent permitted by law, the Company shall indemnify any Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Company to procure a judgment in its favor by reason of the fact that such Person is or was a Member, Manager, officer, controlling Person, legal representative or agent of the Company, or is or was serving at the request of the Company as a member, manager, director, officer, partner, shareholder, controlling Person, legal representative or agent of another limited liability company, corporation, partnership, joint venture, trust or other enterprise, against expenses, including amounts paid in settlement and attorneys' fees actually and reasonably incurred by such Person in connection with the defense or settlement of the actions or suit if such Person acted in good faith and in a manner which such Person reasonably believed to be in or not opposed to the best interests of the Company; provided that such Person shall not be entitled to indemnification if such judgment, penalty, fine or other expense was directly caused by such Person's fraud, gross negligence or willful misconduct or, in the case of an Independent Manager, bad faith or willful misconduct. Indemnification may not be made for any claim, issue or matter as to which such Person has been adjudged by a court of competent jurisdiction, after exhaustion of all appeals therefrom, to be liable to the Company or for amounts paid in settlement to the Company, unless and only to the extent that the court in which the action or suit was brought or other court of competent jurisdiction determines upon application that in view of all the circumstances of the case, the Person is fairly and reasonably entitled to indemnity for such expenses as the court deems proper.

SECTION 10.03 Intentionally Omitted.

SECTION 10.04 Expenses. Any indemnification under Sections 10.01 and 10.02, as well as the advance payment of expenses permitted under Section 10.05 unless ordered by a court or advanced pursuant to Section 10.05 below, must be made by the Company only as authorized in the specific case upon a determination that indemnification of the Manager, Member, officer, controlling Person, legal representative or agent is proper in the circumstances. The determination must be made:

(a) by the Member if the Member was not a party to the act, suit or proceeding; or

(b) if the Member was a party to the act, suit or proceeding by independent legal counsel in a written opinion.

SECTION 10.05 Advance Payment of Expenses. To the fullest extent permitted by law, the expenses of each Person who is or was a Manager, Member, officer, controlling Person, legal representative or agent, or is or was serving at the request of the Company as a member, manager, director, officer, partner, shareholder, controlling Person, legal representative or agent of another limited liability company, corporation, partnership, joint venture, trust or other enterprise, incurred in defending a civil or criminal action, suit or proceeding may be paid by the Company as they are incurred and in advance of the final disposition of the action, suit or proceeding, upon receipt of an undertaking by or on behalf of such Person to repay the amount if it is ultimately determined by a court of competent jurisdiction that such Person is not entitled to be indemnified by the Company. The provisions of this Section 10.05 shall not affect any rights to advancement of expenses to which personnel other than the Member or the Managers (other than each Independent Manager) may be entitled under any contract or otherwise by law.

SECTION 10.06 Other Arrangements Not Excluded. The indemnification and advancement of expenses authorized in or ordered by a court pursuant to this Article X:

(a) does not exclude any other rights to which a Person seeking indemnification or advancement of expenses may be entitled under any agreement, decision of the Member, consent or action of the Managers or otherwise, for either an action of any Person who is or was a Manager, Member, officer, controlling Person, legal representative or agent, or is or was serving at the request of the Company as a member, manager, director, officer, partner, shareholder, controlling Person, legal representative or agent of another limited liability company, corporation, partnership, joint venture, trust or other enterprise, in the official capacity of such Person or an action in another capacity while holding such position, except that indemnification and advancement, unless ordered by a court pursuant to Section 10.05 above, may not be made to or on behalf of such Person if a final adjudication established that its acts or omissions involved intentional misconduct, fraud or a knowing violation of the law and were material to the cause of action; and

(b) continues for a Person who has ceased to be a Member, Manager, officer, legal representative or agent and inures to the benefit of the successors, heirs, executors and administrators of such a Person.

ARTICLE XI

MISCELLANEOUS PROVISIONS

SECTION 11.01 No Bankruptcy Petition; Dissolution.

(a) To the fullest extent permitted by law, the Member, each Special Member and each Manager hereby covenant and agree (or shall be deemed to have hereby covenanted and agreed) that, prior to the date which is one year and one day after the termination of the Indenture and the payment in full of the Securitization Bonds and any other amounts owed under the Indenture, it will not acquiesce, petition or otherwise invoke or cause the Company to invoke the process of any court or Governmental Authority for the purpose of commencing or sustaining an involuntary case against the Company under any federal or state bankruptcy, insolvency or similar law or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of the Company or any substantial part of the property of the Company, or ordering the winding up or liquidation of the affairs of the Company; provided, however, that nothing in this Section 11.01 shall constitute a waiver of any right to indemnification, reimbursement or other payment from the Company pursuant to this Agreement. This Section 11.01 is not intended to apply to the filing of a voluntary bankruptcy petition on behalf of the Company which is governed by Section 1.08 of this Agreement.

(b) To the fullest extent permitted by law, the Member, each Special Member and each Manager hereby covenant and agree (or shall be deemed to have hereby covenanted and agreed) that, until the termination of the Indenture and the payment in full of the Securitization Bonds and any other amounts owed under the Indenture, the Member, such Special Member and such Manager will not consent to, or make application for, or institute or maintain any action for, the dissolution of the Company under Section 18-801 or 18-802 of the LLC Act or otherwise or any division of the Company under Section 18-217 of the LLC Act or otherwise.

(c) In the event that the Member, any Special Member or any Manager takes action in violation of this Section 11.01, the Company agrees that it shall file an answer with the court or otherwise properly contest the taking of such action and raise the defense that the Member, Special Member or Manager, as the case may be, has agreed in writing not to take such action and should be estopped and precluded therefrom and such other defenses, if any, as its counsel advises that it may assert.

(d) The provisions of this Section 11.01 shall survive the termination of this Agreement and the resignation, withdrawal or removal of the Member, any Special Member or any Manager. Nothing herein contained shall preclude participation by the Member, a Special Member or a Manager in assertion or defense of its claims in any such proceeding involving the Company.

SECTION 11.02 Amendments.

(a) The power to alter, amend or repeal this Agreement shall be only with the consent of the Member, provided, that the Company shall not alter, amend or repeal any provision of Sections 1.02(b) and (c), 1.05, 1.07, 1.08, 3.01(b), 3.02, 6.06, 6.07, 7.02, 7.05, 7.06, 9.01, 9.02, 11.02 and 11.06 of this Agreement or the definition of "Independent Manager" contained herein or the requirement that at all times the Company have at least one Independent Manager (collectively, the "Special Purpose Provisions") without, in each case, the affirmative vote of a majority of the Managers, which vote must include the affirmative vote of each Independent Manager.

So long as any of the Securitization Bonds are outstanding, the Company and the Member shall give written notice to each applicable Rating Agency of any amendment to this Agreement. The effectiveness of any amendment of the Special Purpose Provisions shall be subject to the Rating Agency Condition (other than an amendment which is necessary: (i) to cure any ambiguity or (ii) to correct or supplement any such provision in a manner consistent with the intent of this Agreement).

(b) The Company's power to alter or amend the Certificate of Formation shall be vested in the Member. Upon obtaining the approval of any amendment, supplement or restatement as to the Certificate of Formation, the Member on behalf of the Company shall cause a Certificate of Amendment or Amended and Restated Certificate of Formation to be prepared, executed and filed in accordance with the LLC Act.

(c) Notwithstanding anything in this Agreement to the contrary, including Sections 11.02(a) and (b), unless and until the Securitization Bonds are issued and outstanding, the Member may, without the need for any consent or action of, or notice to, any other Person, including any Manager, any officer, the Indenture Trustee or any Rating Agency, alter, amend or repeal this Agreement in any manner.

SECTION 11.03 Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF DELAWARE, WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

SECTION 11.04 Headings. The headings of the various Articles and Sections herein are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

SECTION 11.05 Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remainder of such provision (if any) or the remaining provisions hereof (unless such construction shall be unreasonable), and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 11.06 Assigns. Each and all of the covenants, terms, provisions and agreements contained in this Agreement shall be binding upon and inure to the benefit of the Member, and its permitted successors and assigns.

SECTION 11.07 Enforcement. Notwithstanding any other provision of this Agreement, the Member agrees that this Agreement constitutes a legal, valid and binding agreement of the Member, and is enforceable against the Member, in accordance with its terms.

SECTION 11.08 Waiver of Partition; Nature of Interest. Except as otherwise expressly provided in this Agreement, to the fullest extent permitted by law, each of the Member and the Special Members hereby irrevocably waives any right or power that such Person might have to cause the Company or any of its assets to be partitioned, to cause the appointment of a receiver for all or any portion of the assets of the Company, to compel any sale of all or any portion of the assets of the Company pursuant to any applicable law or to file a complaint or to institute any proceeding at law or in equity to cause the dissolution, division, liquidation, winding up or termination of the Company. The Member shall not have any interest in any specific assets of the Company, and the Member shall not have the status of a creditor with respect to any distribution pursuant to this Agreement.

SECTION 11.09 Benefits of Agreement; No Third-Party Rights. Except for the Indenture Trustee with respect to the Special Purpose Provisions and Persons entitled to indemnification hereunder, none of the provisions of this Agreement shall be for the benefit of or enforceable by any creditor of the Company or by any creditor of the Member or Special Member. Nothing in this Agreement shall be deemed to create any right in any Person (other than the Indenture Trustee with respect to the Special Purpose Provisions and Persons entitled to indemnification hereunder) not a party hereto, and this Agreement shall not be construed in any respect to be a contract in whole or in part for the benefit of any third Person.

SECTION 11.10 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original of this Agreement and all of which together shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this Agreement is hereby executed by the undersigned and is effective as of the date first written above.

MEMBER:

CONSUMERS ENERGY COMPANY

By: _____
Name: Melissa M. Gleespen
Title: Vice President, Corporate Secretary and Chief Compliance Officer

INDEPENDENT MANAGER:

Albert J. Fioravanti

_____

SCHEDULE A

SCHEDULE OF CAPITAL CONTRIBUTIONS OF MEMBER

MEMBER'S NAME	CAPITAL CONTRIBUTION	MEMBERSHIP INTEREST PERCENTAGE	CAPITAL ACCOUNT
Consumers Energy Company	$ 3,230,000	100%	$ 3,230,000

SCHEDULE B

INITIAL MANAGERS

Rejji P. Hayes

Shaun M. Johnson

Melissa M. Gleespen

Albert J. Fioravanti

SCHEDULE C

INITIAL OFFICERS

Name	Office
Jason M. Shore	President, Chief Executive Officer, Chief Financial Officer, and Treasurer
Rejji P. Hayes	Executive Vice President
Shaun M. Johnson	Senior Vice President and General Counsel
Melissa M. Gleespen	Vice President and Secretary
Scott B. McIntosh	Vice President and Controller
Terry L. Christian	Assistant Secretary
Georgine R. Hyden	Assistant Secretary
Todd A. Wehner	Assistant Treasurer
Heather L. Wilson	Assistant Treasurer

EXHIBIT A

MANAGEMENT AGREEMENT

December 12, 2023

Consumers 2023 Securitization Funding LLC
One Energy Plaza
Jackson, Michigan 49201

Re: Management Agreement — Consumers 2023 Securitization Funding LLC

Ladies and Gentlemen:

For good and valuable consideration, each of the undersigned Persons, who have been designated as managers of Consumers 2023 Securitization Funding LLC, a Delaware limited liability company (the "Company"), in accordance with the Amended and Restated Limited Liability Company Agreement of the Company, dated as of December 12, 2023 (as it may be amended, restated, supplemented or otherwise modified from time to time, the "LLC Agreement"), hereby agree as follows:

1. Each of the undersigned accepts such Person's rights and authority as a Manager under the LLC Agreement and agrees to perform and discharge such Person's duties and obligations as a Manager under the LLC Agreement, and further agrees that such rights, authorities, duties and obligations under the LLC Agreement shall continue until such Person's successor as a Manager is designated or until such Person's resignation or removal as a Manager in accordance with the LLC Agreement. Each of the undersigned agrees and acknowledges that it has been designated as a "manager" of the Company within the meaning of the Delaware Limited Liability Company Act.

2. Until a year and one day has passed since the date that the last obligation under the Basic Documents was paid, to the fullest extent permitted by law, each of the undersigned agrees, solely in its capacity as a creditor of the Company on account of any indemnification or other payment owing to the undersigned by the Company, not to acquiesce, petition or otherwise invoke or cause the Company to invoke the process of any court or governmental authority for the purpose of commencing or sustaining a case against the Company under any federal or state bankruptcy, insolvency or similar law or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of the Company or any substantial part of the property of the Company, or ordering the winding up or liquidation of the affairs of the Company.

3. THIS MANAGEMENT AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, AND ALL RIGHTS AND REMEDIES SHALL BE GOVERNED BY SUCH LAWS WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS.

Capitalized terms used and not otherwise defined herein have the meanings set forth in the LLC Agreement.

This Management Agreement may be executed in any number of counterparts, each of which shall be deemed an original of this Management Agreement and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned have executed this Management Agreement as of the day and year first above written.

Rejji P. Hayes

Shaun M. Johnson

Melissa M. Gleespen

Albert J. Fioravanti

APPENDIX A

DEFINITIONS

As used in this Agreement, the following terms have the following meanings:

"Administration Agreement" means the Administration Agreement, dated as of the date hereof, by and between the Company and the Administrator pursuant to which the Administrator will provide certain management services to the Company.

"Administrator" means Consumers Energy, as Administrator under the Administration Agreement, or any successor Administrator to the extent permitted under the Administration Agreement.

"Affiliate" means, with respect to any specified Person, any other Person controlling or controlled by or under common control with such specified Person. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such specified Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled" have meanings correlative to the foregoing. Unless otherwise stated, references herein to an Affiliate means an Affiliate of the Company.

"Agreement" has the meaning set forth in the preamble hereto.

"Bankruptcy" is defined in Section 9.01(b) of this Agreement.

"Bankruptcy Code" means Title 11 of the United States Code (11 U.S.C. §§ 101 et seq.), as amended.

"Basic Documents" means the Indenture, the Administration Agreement, the Sale Agreement, the Bill of Sale, the Certificate of Formation, the Original LLC Agreement, this Agreement, the Servicing Agreement, the Series Supplement, the Intercreditor Agreement, the Letter of Representations, the Underwriting Agreement and all other documents and certificates delivered in connection therewith.

"Bill of Sale" means the bill of sale in connection with the sale of the Securitization Property pursuant to the Sale Agreement.

"Capital Account" is defined in Section 2.03 of this Agreement.

"Capital Contribution" is defined in Section 2.01 of this Agreement.

"Certificate of Formation" means the Certificate of Formation filed with the Secretary of State of the State of Delaware on August 16, 2023 pursuant to which the Company was formed.

"Clearing Agency" means an organization registered as a "clearing agency" pursuant to Section 17A of the Securities Exchange Act of 1934, as amended.

"Code" means the Internal Revenue Code of 1986, as amended.

"Commission" means the Michigan Public Service Commission.

"Company" has the meaning set forth in the preamble to this Agreement.

"Consumers Energy" means Consumers Energy Company, a Michigan corporation, and any of its successors or permitted assigns.

"Financing Order" means the financing order issued under the Statute by the Commission to Consumers Energy on December 17, 2020, Case No. U-20889, authorizing the creation of the Securitization Property. Consumers Energy unconditionally accepted all conditions and limitations requested by such order in a letter dated January 7, 2021 from Consumers Energy to the Commission.

"Governmental Authority" means any nation or government, any U.S. federal, state, local or other political subdivision thereof and any court, administrative agency or other instrumentality or entity exercising executive, legislative, judicial, regulatory or administrative functions of government.

"Holder" means the Person in whose name a Securitization Bond is registered.

"Indenture" means the Indenture, dated as of the date hereof, by and between the Company and The Bank of New York Mellon, a New York banking corporation, as Indenture Trustee, as Securities Intermediary and as Account Bank.

"Indenture Trustee" means The Bank of New York Mellon, a New York banking corporation, as indenture trustee for the benefit of the Secured Parties, or any successor indenture trustee for the benefit of the Secured Parties, under the Indenture.

"Independent Manager" is defined in Section 4.01(a) of this Agreement.

"Independent Manager Fee" is defined in Section 4.01(a) of this Agreement.

"Intercreditor Agreement" means that certain Intercreditor Agreement, dated as of the date hereof, by and among the Company, the Indenture Trustee, Consumers Energy, Consumers 2014 Securitization Funding LLC and the trustee for the securitization bonds issued by Consumers 2014 Securitization Funding LLC, and any subsequent such agreement.

"Letter of Representations" means any applicable agreement between the Company and the applicable Clearing Agency, with respect to such Clearing Agency's rights and obligations (in its capacity as a Clearing Agency) with respect to any Book-Entry Securitization Bonds.

"LLC Act" means the Delaware Limited Liability Company Act (Del. C. §18-101 et seq.), as amended.

"Manager" means each manager of the Company under this Agreement.

"Member" has the meaning set forth in the preamble to this Agreement.

"Membership Interest" is defined in Section 6.01 of this Agreement.

"Ongoing Other Qualified Costs" means the Qualified Costs described as such in the Financing Order, including Operating Expenses and any other costs identified in the Basic Documents; provided, however, that Ongoing Other Qualified Costs do not include the Company's costs of issuance of the Securitization Bonds and Consumers Energy's costs of retiring existing debt and equity securities.

"Operating Expenses" means all unreimbursed fees, costs and out-of-pocket expenses of the Company (other than interest on the Securitization Bonds), including all amounts owed by the Company to the Indenture Trustee (including indemnities, legal fees and expenses and audit fees and expenses) or any Manager, the Servicing Fee, any other amounts owed to the Servicer pursuant to the Servicing Agreement, the Administration Fee, any other amounts owed to the Administrator pursuant to the Administration Agreement, legal and accounting fees, Rating Agency fees and any franchise or other taxes owed by the Company.

"Original LLC Agreement" has the meaning set forth in the recitals to this Agreement.

"Person" means any individual, corporation, limited liability company, estate, partnership, joint venture, association, joint stock company, trust (including any beneficiary thereof), unincorporated organization or Governmental Authority.

"Qualified Costs" means all qualified costs as defined in Section 10h(g) of the Statute allowed to be recovered by Consumers Energy under the Financing Order.

"Rating Agency" means, with respect to the Securitization Bonds, any of Moody's or S&P that provides a rating with respect to the Securitization Bonds. If no such organization (or successor) is any longer in existence, "Rating Agency" shall be a nationally recognized statistical rating organization or other comparable Person designated by the Company, notice of which designation shall be given to the Indenture Trustee and the Servicer.

"Sale Agreement" means the Securitization Property Purchase and Sale Agreement, dated as of the date hereof, by and between the Company and Consumers Energy, and acknowledged and accepted by the Indenture Trustee, pursuant to which the Seller will sell its rights and interests in the Securitization Property to the Company.

"Secured Parties" means the Indenture Trustee, the Holders and any credit enhancer described in the Series Supplement.

"Securitization Bonds" means the securitization bonds authorized by the Financing Order and issued pursuant to the Indenture.

"Securitization Charges" means any securitization charges as defined in Section 10h(i) of the Statute that are authorized by the Financing Order.

"Securitization Property" means all securitization property as defined in Section 10h(j) of the Statute created pursuant to the Financing Order and under the Statute, including the right to impose, collect and receive the Securitization Charges in an amount necessary to provide the full recovery of all Qualified Costs, the right under the Financing Order to obtain periodic adjustments of Securitization Charges under Section 10k(3) of the Statute and all revenue, collections, payments, moneys and proceeds arising out of the rights and interests described under Section 10(j) of the Statute.

"Seller" means Consumers Energy, as Seller under the Sale Agreement.

"Series Supplement" means the indenture supplemental to the Indenture in the form attached as Exhibit B to the Indenture that authorizes the issuance of the Securitization Bonds.

"Servicer" means Consumers Energy, as Servicer under the Servicing Agreement.

"Servicing Agreement" means the Securitization Property Servicing Agreement, dated as of the date hereof, by and between the Company and Consumers Energy, and acknowledged and accepted by the Indenture Trustee, pursuant to which the Servicer will service the Securitization Property on behalf of the Company.

"Special Member" is defined in Section 1.02(b) of this Agreement.

"Special Purpose Provisions" is defined in Section 11.02(a) of this Agreement.

"Sponsor" means Consumers Energy, in its capacity as "sponsor" of the Securitization Bonds within the meaning of Regulation AB.

"Statute" means the laws of the State of Michigan adopted in June 2000 enacted as 2000 PA 142.

"Treasury Regulations" means the regulations, including proposed or temporary regulations, promulgated under the Code.

"Underwriting Agreement" means the Underwriting Agreement, dated December 5, 2023, by and among Consumers Energy, the representative of the several underwriters named therein and the Company.

Exhibit 4.1

INDENTURE

by and between

CONSUMERS 2023 SECURITIZATION FUNDING LLC,

Issuer

and

THE BANK OF NEW YORK MELLON,

Indenture Trustee, Securities Intermediary and Account Bank

Dated as of December 12, 2023

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EXHIBITS

APPENDIX

TRUST INDENTURE ACT CROSS REFERENCE TABLE

Trust Indenture Act Section		Indenture Section
310	(a)(1)	6.11
	(a)(2)	6.11
	(a)(3)	6.10(b)(i)
	(a)(4)	Not applicable
	(a)(5)	6.11
	(b)	6.11
311	(a)	6.12
	(b)	6.12
312	(a)	7.01 and 7.02
	(b)	7.02(b)
	(c)	7.02(c)
313	(a)	7.04
	(b)(1)	7.04
	(b)(2)	7.04
	(c)	7.03(a) and 7.04
	(d)	Not applicable
314	(a)	3.09 and 7.03(a)
	(b)	2.10 and 3.06
	(c)(1)	2.10, 4.01, 8.04(b) and 10.01(a)
	(c)(2)	2.10, 4.01, 8.04(b) and 10.01(a)
	(c)(3)	2.10, 4.01 and 10.01(a)
	(d)	2.10, 8.04(b) and 10.01
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315	(a)	6.01(b)(i) and 6.01(b)(ii)

TRUST INDENTURE ACT SECTION		INDENTURE SECTION
	(b)	6.05
	(c)	6.01(a)
	(d)	6.01(c)(i), 6.01(c)(ii) and 6.01(c)(iii)
	(e)	5.13
316	(a) (last sentence)	Appendix A – definition of "Outstanding"
	(a)(1)(A)	5.11
	(a)(1)(B)	5.12
	(a)(2)	Not applicable
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	(c)	Appendix A – definition of "Record Date"
317	(a)(1)	5.03(a)
	(a)(2)	5.03(c)(iv)
	(b)	3.03
318	(a)	10.06
	(b)	10.06
	(c)	10.06

THIS CROSS REFERENCE TABLE SHALL NOT, FOR ANY PURPOSE, BE DEEMED TO BE PART OF THIS INDENTURE.

This INDENTURE, dated as of December 12, 2023, is by and between Consumers 2023 Securitization Funding LLC, a Delaware limited liability company, and THE BANK OF NEW YORK MELLON, a New York banking corporation, in its capacity as indenture trustee for the benefit of the Secured Parties and in its separate capacities as a securities intermediary and as an account bank.

In consideration of the mutual agreements herein contained, each party hereto agrees as follows for the benefit of the other party hereto and each of the Holders:

RECITALS OF THE ISSUER

The Issuer has duly authorized the execution and delivery of this Indenture and the creation and issuance of the Securitization Bonds issuable hereunder, which will be of substantially the tenor set forth herein and in the Series Supplement.

The Securitization Bonds shall be non-recourse obligations and shall be secured by and payable solely out of the proceeds of the Securitization Property and the other Securitization Bond Collateral as provided herein. If and to the extent that such proceeds of the Securitization Property and the other Securitization Bond Collateral are insufficient to pay all amounts owing with respect to the Securitization Bonds, then, except as otherwise expressly provided hereunder, the Holders shall have no Claim in respect of such insufficiency against the Issuer or the Indenture Trustee, and the Holders, by their acceptance of the Securitization Bonds, waive any such Claim.

All things necessary to (a) make the Securitization Bonds, when executed by the Issuer and authenticated and delivered by the Indenture Trustee hereunder and duly issued by the Issuer, valid obligations, and (b) make this Indenture a valid agreement of the Issuer, in each case, in accordance with their respective terms, have been done.

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

That the Issuer, in consideration of the premises herein contained and of the purchase of the Securitization Bonds by the Holders and of other good and lawful consideration, the receipt and sufficiency of which are hereby acknowledged, and to secure, equally and ratably without prejudice, priority or distinction, except as specifically otherwise set forth in this Indenture, the payment of the Securitization Bonds, the payment of all other amounts due under or in connection with this Indenture (including all fees, expenses, counsel fees and other amounts due and owing to the Indenture Trustee) and the performance and observance of all of the covenants and conditions contained herein or in the Securitization Bonds, has hereby executed and delivered this Indenture and by these presents does hereby and by the Series Supplement will convey, grant, assign, transfer and pledge, in each case, in and unto the Indenture Trustee, its successors and assigns forever, for the benefit of the Secured Parties, all and singular the property described in the Series Supplement (such property herein referred to as the "Securitization Bond Collateral"). The Series Supplement will more particularly describe the obligations of the Issuer secured by the Securitization Bond Collateral.

AND IT IS HEREBY COVENANTED, DECLARED AND AGREED between the parties hereto that all Securitization Bonds are to be issued, countersigned and delivered and that all of the Securitization Bond Collateral is to be held and applied, subject to the further covenants, conditions, releases, uses and trusts hereinafter set forth, and the Issuer, for itself and any successor, does hereby covenant and agree to and with the Indenture Trustee and its successors in said trust, for the benefit of the Secured Parties, as follows:

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION; INCORPORATION BY REFERENCE

SECTION 1.01. Definitions and Rules of Construction. Capitalized terms used but not otherwise defined in this Indenture shall have the respective meanings given to such terms in Appendix A, which is hereby incorporated by reference into this Indenture as if set forth fully in this Indenture. Not all terms defined in Appendix A are used in this Indenture. The rules of construction set forth in Appendix A shall apply to this Indenture and are hereby incorporated by reference into this Indenture as if set forth fully in this Indenture.

SECTION 1.02. Incorporation by Reference of Trust Indenture Act. Whenever this Indenture refers to a provision of the Trust Indenture Act, that provision is incorporated by reference in and made a part of this Indenture. The following Trust Indenture Act terms used in this Indenture have the following meanings:

"indenture securities" means the Securitization Bonds.

"indenture security holder" means a Holder.

"indenture to be qualified" means this Indenture.

"indenture trustee" or "institutional trustee" means the Indenture Trustee.

"obligor" on the indenture securities means the Issuer and any other obligor on the indenture securities.

All other Trust Indenture Act terms used in this Indenture that are defined by the Trust Indenture Act, defined by Trust Indenture Act reference to another statute or defined by SEC rule have the meanings assigned to them by such definitions.

ARTICLE II

THE SECURITIZATION BONDS

SECTION 2.01. Form. The Securitization Bonds and the Indenture Trustee's certificate of authentication shall be in substantially the forms set forth in Exhibit A, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture or by the Series Supplement and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may, consistently herewith, be determined by the officers executing the Securitization Bonds, as evidenced by their execution of the Securitization Bonds.

The Securitization Bonds shall be typewritten, printed, lithographed or engraved or produced by any combination of these methods (with or without steel engraved borders), all as determined by the officers executing the Securitization Bonds, as evidenced by their execution of the Securitization Bonds.

Each Securitization Bond shall be dated the date of its authentication. The terms of the Securitization Bonds set forth in Exhibit A are part of the terms of this Indenture.

SECTION 2.02. Denominations. The Securitization Bonds shall be issuable in the Authorized Denominations specified in the Series Supplement.

The Securitization Bonds may, at the election of and as authorized by a Responsible Officer of the Issuer, be issued in one or more Tranches, and shall be designated generally as the "Senior Secured Securitization Bonds, Series 2023A" of the Issuer, with such further particular designations added or incorporated in such title for the Securitization Bonds of any particular Tranche as a Responsible Officer of the Issuer may determine. Each Securitization Bond shall bear the designation so selected for the Tranche to which it belongs. All Securitization Bonds shall be identical in all respects except for the denominations thereof, the Holder thereof, the numbering thereon and the legends thereon, unless the Securitization Bonds are comprised of one or more Tranches, in which case all Securitization Bonds of the same Tranche shall be identical in all respects except for the denominations thereof, the Holder thereof, the numbering thereon, the legends thereon and the CUSIP number thereon. All Securitization Bonds of a particular Tranche shall be in all respects equally and ratably entitled to the benefits hereof without preference, priority or distinction on account of the actual time or times of authentication and delivery, all in accordance with the terms and provisions of this Indenture.

The Securitization Bonds shall be created by the Series Supplement authorized by a Responsible Officer of the Issuer, which Series Supplement shall specify and establish the terms and provisions thereof. If multiple Tranches of Securitization Bonds are issued, the several Tranches thereof may differ as between Tranches in respect of any of the following matters:

(a) designation of the Tranches thereof;

(b) the principal amounts;

(c) the Securitization Bond Interest Rates;

(d) the Payment Dates;

(e) the Scheduled Payment Dates;

(f) the Scheduled Final Payment Dates;

(g) the Final Maturity Dates;

(h) the Authorized Denominations;

(i) the Expected Amortization Schedules;

(j) the place or places for the payment of interest, principal and premium, if any;

(k) whether or not the Securitization Bonds are to be Book-Entry Securitization Bonds and the extent to which Section 2.11 should apply; and

(l) any other provisions expressing or referring to the terms and conditions upon which the Securitization Bonds of any Tranche are to be issued under this Indenture that are not in conflict with the provisions of this Indenture and as to which the Rating Agency Condition is satisfied.

SECTION 2.03. Execution, Authentication and Delivery. The Securitization Bonds shall be executed on behalf of the Issuer by any of its Responsible Officers. The signature of any such Responsible Officer on the Securitization Bonds may be manual, electronic or facsimile.

Securitization Bonds bearing the manual, electronic or facsimile signature of individuals who were at the time of such execution Responsible Officers of the Issuer shall bind the Issuer, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of the Securitization Bonds or did not hold such offices at the date of the Securitization Bonds.

At any time and from time to time after the execution and delivery of this Indenture, the Issuer may deliver Securitization Bonds executed by the Issuer to the Indenture Trustee pursuant to an Issuer Order for authentication; and the Indenture Trustee shall authenticate and deliver the Securitization Bonds as in this Indenture provided and not otherwise.

No Securitization Bond shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose, unless there appears on such Securitization Bond a certificate of authentication substantially in the form provided for therein executed by the Indenture Trustee by the manual, electronic or facsimile signature of one of its authorized signatories, and such certificate upon any Securitization Bond shall be conclusive evidence, and the only evidence, that such Securitization Bond has been duly authenticated and delivered hereunder.

SECTION 2.04. Temporary Securitization Bonds. Pending the preparation of Definitive Securitization Bonds pursuant to Section 2.13, the Issuer may execute, and upon receipt of an Issuer Order the Indenture Trustee shall authenticate and deliver, Temporary Securitization Bonds that are printed, lithographed, typewritten, mimeographed or otherwise produced, of the tenor of the Definitive Securitization Bonds in lieu of which they are issued and with such variations not inconsistent with the terms of this Indenture as the officers executing the Temporary Securitization Bonds may determine, as evidenced by their execution of the Temporary Securitization Bonds.

If Temporary Securitization Bonds are issued, the Issuer will cause Definitive Securitization Bonds to be prepared without unreasonable delay. After the preparation of Definitive Securitization Bonds, the Temporary Securitization Bonds shall be exchangeable for Definitive Securitization Bonds upon surrender of the Temporary Securitization Bonds at the office or agency of the Issuer to be maintained as provided in Section 3.02, without charge to the Holder. Upon surrender for cancellation of any one or more Temporary Securitization Bonds, the Issuer shall execute and the Indenture Trustee shall authenticate and deliver in exchange therefor a like principal amount of Definitive Securitization Bonds of Authorized Denominations. Until so delivered in exchange, the Temporary Securitization Bonds shall in all respects be entitled to the same benefits under this Indenture as Definitive Securitization Bonds.

SECTION 2.05. Registration; Registration of Transfer and Exchange of Securitization Bonds. The Issuer shall cause to be kept a register (the "Securitization Bond Register") in which, subject to such reasonable regulations as it may prescribe, the Issuer shall provide for the registration of Securitization Bonds and the registration of transfers of Securitization Bonds. The Indenture Trustee shall be "Securitization Bond Registrar" for the purpose of registering the Securitization Bonds and transfers of Securitization Bonds as herein provided. Upon any resignation of any Securitization Bond Registrar, the Issuer shall promptly appoint a successor or, if it elects not to make such an appointment, assume the duties of Securitization Bond Registrar.

If a Person other than the Indenture Trustee is appointed by the Issuer as Securitization Bond Registrar, the Issuer will give the Indenture Trustee prompt written notice of the appointment of such Securitization Bond Registrar and of the location, and any change in the location, of the Securitization Bond Register, and the Indenture Trustee shall have the right to inspect the Securitization Bond Register at all reasonable times and to obtain copies thereof, and the Indenture Trustee shall have the right to rely conclusively upon a certificate executed on behalf of the Securitization Bond Registrar by a Responsible Officer thereof as to the names and addresses of the Holders and the principal amounts and number of the Securitization Bonds (separately stated by Tranche).

Upon surrender for registration of transfer of any Securitization Bond at the office or agency of the Issuer to be maintained as provided in Section 3.02, provided that the requirements of Section 8-401 of the UCC are met, the Issuer shall execute, and the Indenture Trustee shall authenticate and the Holder shall obtain from the Indenture Trustee, in the name of the designated transferee or transferees, one or more new Securitization Bonds in any Authorized Denominations, of the same Tranche and aggregate principal amount.

At the option of the Holder, Securitization Bonds may be exchanged for other Securitization Bonds in any Authorized Denominations, of the same Tranche and aggregate principal amount, upon surrender of the Securitization Bonds to be exchanged at such office or agency as provided in Section 3.02. Whenever any Securitization Bonds are so surrendered for exchange, the Issuer shall, provided that the requirements of Section 8-401 of the UCC are met, execute, and, upon any such execution, the Indenture Trustee shall authenticate and the Holder shall obtain from the Indenture Trustee, the Securitization Bonds that the Holder making the exchange is entitled to receive.

All Securitization Bonds issued upon any registration of transfer or exchange of other Securitization Bonds shall be the valid obligations of the Issuer, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Securitization Bonds surrendered upon such registration of transfer or exchange.

Every Securitization Bond presented or surrendered for registration of transfer or exchange shall be duly endorsed by, or be accompanied by: (a) a written instrument of transfer in form satisfactory to the Indenture Trustee duly executed by the Holder thereof or such Holder's attorney duly authorized in writing, with such signature guaranteed by an institution that is a member of: (i) The Securities Transfer Agent Medallion Program (STAMP); (ii) The New York Stock Exchange Medallion Program (MSP); (iii) The Stock Exchange Medallion Program (SEMP); or (iv) such other signature guaranty program acceptable to the Indenture Trustee; and (b) such other documents as the Indenture Trustee may require.

No service charge shall be made to a Holder for any registration of transfer or exchange of Securitization Bonds, but the Issuer or the Indenture Trustee may require payment of a sum sufficient to cover any tax or other governmental charge or any fees or expenses of the Indenture Trustee that may be imposed in connection with any registration of transfer or exchange of Securitization Bonds, other than exchanges pursuant to Section 2.04 or Section 2.06 not involving any transfer.

The preceding provisions of this Section 2.05 notwithstanding, the Issuer shall not be required to make, and the Securitization Bond Registrar need not register, transfers or exchanges of any Securitization Bond that has been submitted within 15 days preceding the due date for any payment with respect to such Securitization Bond until after such due date has occurred.

SECTION 2.06. Mutilated, Destroyed, Lost or Stolen Securitization Bonds. If (a) any mutilated Securitization Bond is surrendered to the Indenture Trustee or the Indenture Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Securitization Bond and (b) there is delivered to the Indenture Trustee such security or indemnity as may be required by it to hold the Issuer and the Indenture Trustee harmless, then, in the absence of notice to the Issuer, the Securitization Bond Registrar or the Indenture Trustee that such Securitization Bond has been acquired by a Protected Purchaser, the Issuer shall, provided that the requirements of Section 8-401 of the UCC are met, execute, and, upon the Issuer's written request, the Indenture Trustee shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Securitization Bond, a replacement Securitization Bond of like Tranche, tenor and principal amount, bearing a number not contemporaneously outstanding; provided, however, that, if any such destroyed, lost or stolen Securitization Bond, but not a mutilated Securitization Bond, shall have become or within seven days shall be due and payable, instead of issuing a replacement Securitization Bond, the Issuer may pay such destroyed, lost or stolen Securitization Bond when so due or payable without surrender thereof. If, after the delivery of such replacement Securitization Bond or payment of a destroyed, lost or stolen Securitization Bond pursuant to the proviso to the preceding sentence, a Protected Purchaser of the original Securitization Bond in lieu of which such replacement Securitization Bond was issued presents for payment such original Securitization Bond, the Issuer and the Indenture Trustee shall be entitled to recover such replacement Securitization Bond (or such payment) from the Person to whom it was delivered or any Person taking such replacement Securitization Bond from such Person to whom such replacement Securitization Bond was delivered or any assignee of such Person, except a Protected Purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the Issuer or the Indenture Trustee in connection therewith.

Upon the issuance of any replacement Securitization Bond under this Section 2.06, the Issuer and/or the Indenture Trustee may require the payment by the Holder of such Securitization Bond of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other reasonable expenses (including the fees and expenses of the Indenture Trustee and the Securitization Bond Registrar) in connection therewith.

Every replacement Securitization Bond issued pursuant to this Section 2.06 in replacement of any mutilated, destroyed, lost or stolen Securitization Bond shall constitute an original additional contractual obligation of the Issuer, whether or not the mutilated, destroyed, lost or stolen Securitization Bond shall be found at any time or enforced by any Person, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Securitization Bonds duly issued hereunder.

The provisions of this Section 2.06 are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securitization Bonds.

SECTION 2.07. Persons Deemed Owner. Prior to due presentment for registration of transfer of any Securitization Bond, the Issuer, the Indenture Trustee, the Securitization Bond Registrar and any agent of the Issuer or the Indenture Trustee may treat the Person in whose name any Securitization Bond is registered (as of the day of determination) as the owner of such Securitization Bond for the purpose of receiving payments of principal of and premium, if any, and interest on such Securitization Bond and for all other purposes whatsoever, whether or not such Securitization Bond be overdue, and none of the Issuer, the Indenture Trustee or any agent of the Issuer or the Indenture Trustee shall be affected by notice to the contrary.

SECTION 2.08. Payment of Principal, Premium, if any, and Interest; Interest on Overdue Principal; Principal, Premium, if any, and Interest Rights Preserved.

(a) The Securitization Bonds shall accrue interest as provided in the Series Supplement at the applicable Securitization Bond Interest Rate, and such interest shall be payable on each applicable Payment Date. Any installment of interest, principal or premium, if any, payable on any Securitization Bond that is punctually paid or duly provided for on the applicable Payment Date shall be paid to the Person in whose name such Securitization Bond (or one or more Predecessor Securitization Bonds) is registered on the Record Date for such Payment Date by check mailed first-class, postage prepaid, to the Person whose name appears as the Registered Holder or by wire transfer to an account maintained by such Holder in accordance with payment instructions delivered to the Indenture Trustee by such Holder, and, with respect to Book-Entry Securitization Bonds, payments will be made by wire transfer in immediately available funds to the account designated by the Holder of the applicable Global Securitization Bond unless and until such Global Securitization Bond is exchanged for Definitive Securitization Bonds (in which event payments shall be made as provided above) and except for the final installment of principal and premium, if any, payable with respect to such Securitization Bond on a Payment Date, which shall be payable as provided below.

(b) The principal of each Securitization Bond of each Tranche shall be paid, to the extent funds are available therefor in the Collection Account, in installments on each Payment Date as specified in the Series Supplement; provided, that installments of principal not paid when scheduled to be paid in accordance with the Expected Amortization Schedule shall be paid upon receipt of money available for such purpose in accordance with the Expected Amortization Schedule and in the order set forth in Section 8.02(e). To the extent funds are so available and no Event of Default shall have occurred and is continuing, the Issuer will make scheduled payments of principal of the Securitization Bonds in the following order: (i) to the Holders of the Tranche A-1 Securitization Bonds, until the principal balance of that Tranche has been reduced to zero; and (ii) to the Holders of the Tranche A-2 Securitization Bonds, until the principal balance of that Tranche has been reduced to zero. Failure to pay principal in accordance with such Expected Amortization Schedule because moneys are not available pursuant to Section 8.02 to make such payments shall not constitute a Default or Event of Default under this Indenture; provided, however, that failure to pay the entire unpaid principal amount of the Securitization Bonds of a Tranche upon the Final Maturity Date for the Securitization Bonds of such Tranche shall constitute an Event of Default under this Indenture as set forth in Section 5.01. Notwithstanding the foregoing, the entire unpaid principal amount of the Securitization Bonds shall be due and payable, if not previously paid, on the date on which an Event of Default shall have occurred and be continuing, if the Indenture Trustee or the Holders of the Securitization Bonds representing a majority of the Outstanding Amount of the Securitization Bonds have declared the Securitization Bonds to be immediately due and payable in the manner provided in Section 5.02. All payments of principal and premium, if any, on the Securitization Bonds shall be made pro rata to the Holders entitled thereto unless otherwise provided in the Series Supplement. The Indenture Trustee shall notify the Person in whose name a Securitization Bond is registered at the close of business on the Record Date preceding the Payment Date on which the Issuer expects that the final installment of principal of and premium, if any, and interest on such Securitization Bond will be paid. Such notice shall be mailed no later than five days prior to such final Payment Date (and, with respect to Book-Entry Securitization Bonds, shall be sent to DTC (or any successor Clearing Agency) pursuant to DTC's (or such successor Clearing Agency's) applicable procedures) and shall specify that such final installment will be payable only upon presentation and surrender of such Securitization Bond and shall specify the place where such Securitization Bond may be presented and surrendered for payment of such installment.

(c) If interest on the Securitization Bonds is not paid when due, such defaulted interest shall be paid (plus interest on such defaulted interest at the applicable Securitization Bond Interest Rate to the extent lawful) to the Persons who are Holders on a subsequent Special Record Date, which date shall be at least 15 Business Days prior to the Special Payment Date. The Issuer shall fix or cause to be fixed any such Special Record Date and Special Payment Date, and, at least ten days before any such Special Record Date, the Issuer shall send to each affected Holder a notice that states the Special Record Date, the Special Payment Date and the amount of defaulted interest (plus interest on such defaulted interest) to be paid.

SECTION 2.09. Cancellation. All Securitization Bonds surrendered for payment, registration of transfer or exchange shall, if surrendered to any Person other than the Indenture Trustee, be delivered to the Indenture Trustee and shall be promptly canceled by the Indenture Trustee. The Issuer may at any time deliver to the Indenture Trustee for cancellation any Securitization Bonds previously authenticated and delivered hereunder that the Issuer may have acquired in any manner whatsoever, and all Securitization Bonds so delivered shall be promptly canceled by the Indenture Trustee. No Securitization Bonds shall be authenticated in lieu of or in exchange for any Securitization Bonds canceled as provided in this Section 2.09, except as expressly permitted by this Indenture. All canceled Securitization Bonds may be held or disposed of by the Indenture Trustee in accordance with its standard retention or disposal policy as in effect at the time.

SECTION 2.10. Outstanding Amount; Authentication and Delivery of Securitization Bonds. The aggregate Outstanding Amount of Securitization Bonds that may be authenticated and delivered under this Indenture shall not exceed the aggregate of the amount of Securitization Bonds that are authorized in the Financing Order but otherwise shall be unlimited.

Securitization Bonds created and established by the Series Supplement may at any time be executed by the Issuer and delivered to the Indenture Trustee for authentication and thereupon the same shall be authenticated and delivered by the Indenture Trustee upon Issuer Request and upon delivery by the Issuer to the Indenture Trustee, and receipt by the Indenture Trustee, or the causing to occur by the Issuer, of the following; provided, however, that compliance with such conditions and delivery of such documents shall only be required in connection with the original issuance of the Securitization Bonds:

(a) Issuer Action. An Issuer Order authorizing and directing the authentication and delivery of the Securitization Bonds by the Indenture Trustee and specifying the principal amount of Securitization Bonds to be authenticated.

(b) Authorizations. Copies of (i) the Financing Order, which shall be in full force and effect and be Final, (ii) certified resolutions of the Managers or Member of the Issuer authorizing the execution and delivery of the Series Supplement and the execution, authentication and delivery of the Securitization Bonds and (iii) the Series Supplement duly executed by the Issuer.

(c) Opinions. An opinion or opinions, portions of which may be delivered by one or more counsel for the Issuer, portions of which may be delivered by one or more counsel for the Servicer, and portions of which may be delivered by one or more counsel for the Seller, dated the Closing Date, in each case subject to the customary exceptions, qualifications and assumptions contained therein, to the collective effect, that (i) the forms of the Securitization Bonds have been established by the Series Supplement in accordance with Section 2.01 and Section 2.02 and in conformity with the provisions of this Indenture, (ii) the terms of the Securitization Bonds have been established in accordance with Section 2.02 and in conformity with the provisions of this Indenture, (iii) all conditions precedent provided for in this Indenture relating to (A) the authentication and delivery of the Securitization Bonds and (B) the execution of the Series Supplement to this Indenture dated as of the date of this Indenture have been complied with and (iv) the execution of the Series Supplement to this Indenture dated as of the date of this Indenture is permitted by this Indenture, together with the other opinions described in Sections 9(d) through 9(o) of the Underwriting Agreement (other than Sections 9(f)(i) and 9(h) thereof) relating to the Securitization Bonds.

(d) Authorizing Certificate. An Officer's Certificate, dated the Closing Date, of the Issuer certifying that (i) the Issuer has duly authorized the execution and delivery of this Indenture and the Series Supplement and the execution and delivery of the Securitization Bonds and (ii) the Series Supplement is in the form attached thereto and complies with the requirements of Section 2.02.

(e) The Securitization Bond Collateral. The Issuer shall have made or caused to be made all filings with the Commission and the Michigan Department of State pursuant to the Financing Order and the Statute and all other filings necessary to perfect the Grant of the Securitization Bond Collateral to the Indenture Trustee and the Lien of this Indenture.

(f) Certificates of the Issuer and the Seller.

(i) An Officer's Certificate from the Issuer, dated as of the Closing Date:

(A) to the effect that (1) the Issuer is not in Default under this Indenture and that the issuance of the Securitization Bonds will not result in any Default or in any breach of any of the terms, conditions or provisions of or constitute a default under the Financing Order or any indenture, mortgage, deed of trust or other agreement or instrument to which the Issuer is a party or by which it or its property is bound or any order of any court or administrative agency entered in any Proceeding to which the Issuer is a party or by which it or its property may be bound or to which it or its property may be subject and (2) all conditions precedent provided in this Indenture relating to the execution, authentication and delivery of the Securitization Bonds have been complied with;

(B) to the effect that the Issuer has not assigned any interest or participation in the Securitization Bond Collateral except for the Grant contained in this Indenture and the Series Supplement; the Issuer has the power and right to Grant the Securitization Bond Collateral to the Indenture Trustee as security hereunder and thereunder; and the Issuer, subject to the terms of this Indenture, has Granted to the Indenture Trustee a first priority perfected security interest in all of its right, title and interest in and to such Securitization Bond Collateral free and clear of any Lien arising as a result of actions of the Issuer or through the Issuer, except Permitted Liens;

(C) to the effect that the Issuer has appointed the firm of Independent registered public accountants as contemplated in Section 8.06;

(D) to the effect that the Sale Agreement, the Servicing Agreement, the Administration Agreement and the Intercreditor Agreement are, to the knowledge of the Issuer (and assuming such agreements are enforceable against all parties thereto other than the Issuer and Consumers Energy), in full force and effect and, to the knowledge of the Issuer, that no party is in default of its obligations under such agreements;

(E) stating that all filings with the Commission, the Michigan Department of State and the Secretary of State of the State of Delaware pursuant to the Statute, the UCC and the Financing Order, and all UCC financing statements with respect to the Securitization Bond Collateral that are required to be filed by the terms of the Financing Order, the Statute, the Sale Agreement, the Servicing Agreement and this Indenture, have been filed as required; and

(F) stating that (1) all conditions precedent provided for in this Indenture relating to (I) the authentication and delivery of the Securitization Bonds and (II) the execution of the Series Supplement to this Indenture dated as of the date of this Indenture have been complied with, (2) the execution of the Series Supplement to this Indenture dated as of the date of this Indenture is authorized or permitted by this Indenture and (3) the Issuer has delivered the documents required under this Section 2.10 and has otherwise satisfied the requirements set out in this Section 2.10, including complying with Section 2.10(a).

(ii) An officer's certificate from the Seller, dated as of the Closing Date, to the effect that:

(A) in the case of the Securitization Property identified in the Bill of Sale, immediately prior to the conveyance thereof to the Issuer pursuant to the Sale Agreement: the Seller was the original and the sole owner of such Securitization Property, free and clear of any Lien; the Seller had not assigned any interest or participation in such Securitization Property and the proceeds thereof other than to the Issuer pursuant to the Sale Agreement; the Seller has the power, authority and right to own, sell and assign such Securitization Property and the proceeds thereof to the Issuer; the Seller has its chief executive office in the State of Michigan; and the Seller, subject to the terms of the Sale Agreement, has validly sold and assigned to the Issuer all of its right, title and interest in and to such Securitization Property and the proceeds thereof, free and clear of any Lien (other than Permitted Liens) and such sale and assignment is absolute and irrevocable and has been perfected;

(B) in the case of the Securitization Property identified in the Bill of Sale, immediately prior to the conveyance thereof to the Issuer pursuant to the Sale Agreement, the attached copy of the Financing Order creating such Securitization Property is true and complete and is in full force and effect; and

(C) am amount equal to the Required Capital Level has been deposited or caused to be deposited by the Seller with the Indenture Trustee for crediting to the Capital Subaccount.

(g) Rating Agency Condition. Evidence that the Securitization Bonds have received the ratings from the Rating Agencies required by the Underwriting Agreement as a condition to the issuance of the Securitization Bonds.

(h) Requirements of Series Supplement. Such other funds, accounts, documents, certificates, agreements, instruments or opinions as may be required by the terms of the Series Supplement.

(i) Other Requirements. Such other documents, certificates, agreements, instruments or opinions as the Indenture Trustee may reasonably require.

SECTION 2.11. Book-Entry Securitization Bonds. Unless the Series Supplement provides otherwise, all of the Securitization Bonds shall be issued in Book-Entry Form, and the Issuer shall execute and the Indenture Trustee shall, in accordance with this Section 2.11 and the Issuer Order, authenticate and deliver one or more Global Securitization Bonds, evidencing the Securitization Bonds, which (a) shall be an aggregate original principal amount equal to the aggregate original principal amount of the Securitization Bonds to be issued pursuant to the Issuer Order, (b) shall be registered in the name of the Clearing Agency therefor or its nominee, which shall initially be Cede & Co., as nominee for DTC, the initial Clearing Agency, (c) shall be delivered by the Indenture Trustee pursuant to such Clearing Agency's or such nominee's instructions and (d) shall bear a legend substantially to the effect set forth in Exhibit A.

Each Clearing Agency designated pursuant to this Section 2.11 must, at the time of its designation and at all times while it serves as Clearing Agency hereunder, be a "clearing agency" registered under the Exchange Act and any other applicable statute or regulation.

No Holder of Securitization Bonds issued in Book-Entry Form shall receive a Definitive Securitization Bond representing such Holder's interest in any of the Securitization Bonds, except as provided in Section 2.13. Unless (and until) certificated, fully registered Securitization Bonds (the "Definitive Securitization Bonds") have been issued to the Holders pursuant to Section 2.13 or pursuant to the Series Supplement relating thereto:

(i) the provisions of this Section 2.11 shall be in full force and effect;

(ii) the Issuer, the Servicer, the Paying Agent, the Securitization Bond Registrar and the Indenture Trustee may deal with the Clearing Agency for all purposes (including the making of distributions on the Securitization Bonds and the giving of instructions or directions hereunder) as the authorized representative of the Holders;

(iii) to the extent that the provisions of this Section 2.11 conflict with any other provisions of this Indenture, the provisions of this Section 2.11 shall control;

(iv) the rights of Holders shall be exercised only through the Clearing Agency and the Clearing Agency Participants and shall be limited to those established by law and agreements between such Holders and the Clearing Agency and/or the Clearing Agency Participants. Pursuant to the Letter of Representations, unless and until Definitive Securitization Bonds are issued pursuant to Section 2.13, the initial Clearing Agency will make book-entry transfers among the Clearing Agency Participants and receive and transmit distributions of principal of and interest on the Book-Entry Securitization Bonds to such Clearing Agency Participants; and

(v) whenever this Indenture requires or permits actions to be taken based upon instruction or directions of the Holders evidencing a specified percentage of the Outstanding Amount of Securitization Bonds, the Clearing Agency shall be deemed to represent such percentage only to the extent that it has received instructions to such effect from the Holders and/or the Clearing Agency Participants owning or representing, respectively, such required percentage of the beneficial interest in the Securitization Bonds and has delivered such instructions to a Responsible Officer of the Indenture Trustee.

SECTION 2.12. Notices to Clearing Agency. Unless and until Definitive Securitization Bonds shall have been issued to Holders pursuant to Section 2.13, whenever notice, payment or other communications to the holders of Book-Entry Securitization Bonds is required under this Indenture, the Indenture Trustee, the Servicer and the Paying Agent, as applicable, shall give all such notices and communications specified herein to be given to Holders to the Clearing Agency.

SECTION 2.13. Definitive Securitization Bonds. If (a) (i) the Issuer advises the Indenture Trustee in writing that the Clearing Agency is no longer willing or able to properly discharge its responsibilities under any Letter of Representations and (ii) the Issuer is unable to locate a qualified successor Clearing Agency, (b) the Issuer, at its option, advises the Indenture Trustee in writing that it elects to terminate the book-entry system through the Clearing Agency or (c) after the occurrence of an Event of Default hereunder, Holders holding Securitization Bonds aggregating a majority of the aggregate Outstanding Amount of Securitization Bonds maintained as Book-Entry Securitization Bonds advise the Indenture Trustee, the Issuer and the Clearing Agency (through the Clearing Agency Participants) in writing that the continuation of a book-entry system through the Clearing Agency is no longer in the best interests of the Holders, the Issuer shall notify the Clearing Agency, the Indenture Trustee and all such Holders in writing of the occurrence of any such event and of the availability of Definitive Securitization Bonds to the Holders requesting the same. Upon surrender to the Indenture Trustee of the Global Securitization Bonds by the Clearing Agency accompanied by registration instructions from such Clearing Agency for registration, the Issuer shall execute, and the Indenture Trustee shall authenticate and deliver, Definitive Securitization Bonds in accordance with the instructions of the Clearing Agency. None of the Issuer, the Securitization Bond Registrar, the Paying Agent or the Indenture Trustee shall be liable for any delay in delivery of such instructions and may conclusively rely on, and shall be fully protected in relying on, such instructions. Upon the issuance of Definitive Securitization Bonds, the Indenture Trustee shall recognize the Holders of the Definitive Securitization Bonds as Holders hereunder.

Definitive Securitization Bonds will be transferable and exchangeable at the offices of the Securitization Bond Registrar.

SECTION 2.14. CUSIP Number. The Issuer in issuing any Securitization Bonds may use a "CUSIP" number and, if so used, the Indenture Trustee shall use the CUSIP number provided to it by the Issuer in any notices to the Holders thereof as a convenience to such Holders; provided, that any such notice may state that no representation is made as to the correctness or accuracy of the CUSIP number printed in the notice or on the Securitization Bonds and that reliance may be placed only on the other identification numbers printed on the Securitization Bonds. The Issuer shall promptly notify the Indenture Trustee in writing of any change in the CUSIP number with respect to any Securitization Bond.

SECTION 2.15. Letter of Representations. The Issuer shall comply with the terms of each Letter of Representations applicable to the Issuer.

SECTION 2.16. Tax Treatment. The Issuer and the Indenture Trustee, by entering into this Indenture, and the Holders and any Persons holding a beneficial interest in any Securitization Bond, by acquiring any Securitization Bond or interest therein, (a) express their intention that, solely for the purposes of U.S. federal taxes and, to the extent consistent with applicable State, local and other tax law, solely for the purposes of State, local and other taxes, the Securitization Bonds qualify under applicable tax law as indebtedness of the Member secured by the Securitization Bond Collateral and (b) solely for the purposes of U.S. federal taxes and, to the extent consistent with applicable State, local and other tax law, solely for purposes of State, local and other taxes, so long as any of the Securitization Bonds are outstanding, agree to treat the Securitization Bonds as indebtedness of the Member secured by the Securitization Bond Collateral unless otherwise required by appropriate taxing authorities.

SECTION 2.17. State Pledge. Under the laws of the State of Michigan in effect on the Closing Date, pursuant to Section 10n(2) of the Statute, the State of Michigan has pledged for the benefit and protection of the Holders, the Indenture Trustee, other Persons acting for the benefit of the Holders and Consumers Energy that the State of Michigan will not take or permit any action that would impair the value of Securitization Property, reduce or alter, except as allowed under Section 10k(3) of the Statute, or impair the Securitization Charges to be imposed, collected and remitted to the Holders, the Indenture Trustee and other Persons acting for the benefit of the Holders until the principal, interest and premium, and any other charges incurred and contracts to be performed in connection with the Securitization Bonds have been paid and performed in full.

The Issuer hereby acknowledges that the purchase of any Securitization Bond by a Holder or the purchase of any beneficial interest in a Securitization Bond by any Person and the Indenture Trustee's obligations to perform hereunder are made in reliance on such agreement and pledge by the State of Michigan.

SECTION 2.18. Security Interests. The Issuer hereby makes the following representations and warranties. Other than the security interests granted to the Indenture Trustee pursuant to this Indenture and the Series Supplement, the Issuer has not pledged, granted, sold, conveyed or otherwise assigned any interests or security interests in the Securitization Bond Collateral and no security agreement, financing statement or equivalent security or Lien instrument listing the Issuer as debtor covering all or any part of the Securitization Bond Collateral is on file or of record in any jurisdiction, except such as may have been filed, recorded or made by the Issuer in favor of the Indenture Trustee on behalf of the Secured Parties in connection with this Indenture. This Indenture and the Series Supplement constitute a valid and continuing Lien on, and first priority perfected security interest in, the Securitization Bond Collateral in favor of the Indenture Trustee on behalf of the Secured Parties, which Lien and security interest is prior to all other Liens and is enforceable as such as against creditors of and purchasers from the Issuer in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally or by general equitable principles, whether considered in a proceeding at law or in equity and by an implied covenant of good faith and fair dealing. With respect to all Securitization Bond Collateral, this Indenture, together with the Series Supplement, creates a valid and continuing first priority perfected security interest (as defined in the UCC) in such Securitization Bond Collateral, which security interest is prior to all other Liens and is enforceable as such as against creditors of and purchasers from the Issuer in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally or by general equitable principles, whether considered in a proceeding at law or in equity and by an implied covenant of good faith and fair dealing. The Issuer has good and marketable title to the Securitization Bond Collateral free and clear of any Lien of any Person other than Permitted Liens. All of the Securitization Bond Collateral constitutes Securitization Property or accounts, deposit accounts, investment property or general intangibles (as each such term is defined in the UCC), except that proceeds of the Securitization Bond Collateral may also take the form of instruments or money. The Issuer has taken, or caused the Servicer to take, all action necessary to perfect the security interest in the Securitization Bond Collateral granted to the Indenture Trustee, for the benefit of the Secured Parties. The Issuer has filed (or has caused the Servicer to file) all appropriate financing statements in the proper filing offices in the appropriate jurisdictions under applicable law in order to perfect the security interest in the Securitization Bond Collateral granted to the Indenture Trustee. The Issuer has not authorized the filing of and is not aware, after due inquiry, of any financing statements against the Issuer that include a description of the Securitization Bond Collateral other than those filed in favor of the Indenture Trustee. The Issuer is not aware of any judgment or tax Lien filings against the Issuer. The Collection Account (including all subaccounts thereof) constitutes a "securities account" and/or a "deposit account" within the meaning of the UCC. The Issuer has taken all steps necessary to cause the Securities Intermediary of each such securities account to identify in its records the Indenture Trustee as the Person having a security entitlement against the Securities Intermediary in such securities account, no Collection Account is in the name of any Person other than the Indenture Trustee, and the Issuer has not consented to the Securities Intermediary of the Collection Account to comply with entitlement orders of any Person other than the Indenture Trustee. All of the Securitization Bond Collateral constituting investment property has been and will have been credited to the Collection Account or a subaccount thereof, and the Securities Intermediary for the Collection Account has agreed to treat all assets credited to the Collection Account (other than cash) as "financial assets" within the meaning of the UCC. Accordingly, the Indenture Trustee has a first priority perfected security interest in the Collection Account, all funds and financial assets on deposit therein, and all securities entitlements relating thereto. The representations and warranties set forth in this Section 2.18 shall survive the execution and delivery of this Indenture and the issuance of any Securitization Bonds, shall be deemed re-made on each date on which any funds in the Collection Account are distributed to the Issuer or otherwise released from the Lien of the Indenture and may not be waived by any party hereto except pursuant to a supplemental indenture executed in accordance with Article IX and as to which the Rating Agency Condition has been satisfied.

ARTICLE III

COVENANTS

SECTION 3.01. Payment of Principal, Premium, if any, and Interest. The principal of and premium, if any, and interest on the Securitization Bonds shall be duly and punctually paid by the Issuer, or the Servicer on behalf of the Issuer, in accordance with the terms of the Securitization Bonds, this Indenture and the Series Supplement; provided, that, except on a Final Maturity Date of a Tranche or upon the acceleration of the Securitization Bonds following the occurrence of an Event of Default, the Issuer shall only be obligated to pay the principal of the Securitization Bonds on each Payment Date therefor to the extent moneys are available for such payment pursuant to Section 8.02. Amounts properly withheld under the Code, the Treasury regulations promulgated thereunder or other tax laws by any Person from a payment to any Holder of interest or principal or premium, if any, shall be considered as having been paid by the Issuer to such Holder for all purposes of this Indenture.

SECTION 3.02. Maintenance of Office or Agency. The Issuer shall initially maintain in New York City an office or agency where Securitization Bonds may be surrendered for registration of transfer or exchange. The Issuer shall give prompt written notice to the Indenture Trustee of the location, and of any change in the location, of any such office or agency. The Issuer hereby initially appoints the Indenture Trustee to serve as its agent for the foregoing purposes, and the Corporate Trust Office of the Indenture Trustee shall serve as the offices provided above in this Section 3.02. If at any time the Issuer shall fail to maintain any such office or agency or shall fail to furnish the Indenture Trustee with the address thereof, such surrenders may be made at the office of the Indenture Trustee located at the Corporate Trust Office, and the Issuer hereby appoints the Indenture Trustee as its agent to receive all such surrenders.

SECTION 3.03. Money for Payments To Be Held in Trust. As provided in Section 8.02(a), all payments of amounts due and payable with respect to any Securitization Bonds that are to be made from amounts withdrawn from the Collection Account pursuant to Section 8.02(d) shall be made on behalf of the Issuer by the Indenture Trustee or by another Paying Agent, and no amounts so withdrawn from the Collection Account for payments with respect to any Securitization Bonds shall be paid over to the Issuer except as provided in this Section 3.03 and Section 8.02.

Each Paying Agent shall meet the eligibility criteria set forth for any Indenture Trustee under Section 6.11. The Issuer will cause each Paying Agent other than the Indenture Trustee to execute and deliver to the Indenture Trustee an instrument in which such Paying Agent shall agree with the Indenture Trustee (and if the Indenture Trustee acts as Paying Agent, it hereby so agrees), subject to the provisions of this Section 3.03, that such Paying Agent will:

(a) hold all sums held by it for the payment of amounts due with respect to the Securitization Bonds in trust for the benefit of the Persons entitled thereto until such sums shall be paid to such Persons or otherwise disposed of as herein provided and pay such sums to such Persons as herein provided;

(b) give the Indenture Trustee (unless the Indenture Trustee is the Paying Agent) and the Rating Agencies written notice of any Default by the Issuer of which it has actual knowledge in the making of any payment required to be made with respect to the Securitization Bonds;

(c) at any time during the continuance of any such Default, upon the written request of the Indenture Trustee, forthwith pay to the Indenture Trustee all sums so held in trust by such Paying Agent;

(d) immediately, with notice to the Rating Agencies, resign as a Paying Agent and forthwith pay to the Indenture Trustee all sums held by it in trust for the payment of Securitization Bonds if at any time the Paying Agent determines that it has ceased to meet the standards required to be met by a Paying Agent at the time of such determination; and

(e) comply with all requirements of the Code, the Treasury regulations promulgated thereunder and other tax laws with respect to the withholding from any payments made by it on any Securitization Bonds of any applicable withholding taxes imposed thereon and with respect to any applicable reporting requirements in connection therewith.

The Issuer may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, by Issuer Order direct any Paying Agent to pay to the Indenture Trustee all sums held in trust by such Paying Agent, such sums to be held by the Indenture Trustee upon the same trusts as those upon which the sums were held by such Paying Agent; and, upon such payment by any Paying Agent to the Indenture Trustee, such Paying Agent shall be released from all further liability with respect to such money.

Subject to applicable laws with respect to escheatment of funds, any money held by the Indenture Trustee or any Paying Agent for the payment of any amount due with respect to any Securitization Bond and remaining unclaimed for two years after such amount has become due and payable shall be paid to the Issuer upon receipt of an Issuer Request; and, subject to Section 10.14, the Holder of such Securitization Bond shall thereafter, as an unsecured general creditor, look only to the Issuer for payment thereof (but only to the extent of the amounts so paid to the Issuer), and all liability of the Indenture Trustee or such Paying Agent with respect to such trust money shall thereupon cease; provided, however, that the Indenture Trustee or such Paying Agent, before being required to make any such repayment, may, at the expense of the Issuer, cause to be published once, in a newspaper published in the English language, customarily published on each Business Day and of general circulation in The City of New York, notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such publication, any unclaimed balance of such money then remaining will be repaid to the Issuer. The Indenture Trustee may also adopt and employ, at the expense of the Issuer, any other reasonable means of notification of such repayment (including mailing notice of such repayment to Holders whose right to or interest in moneys due and payable but not claimed is determinable from the records of the Indenture Trustee or of any Paying Agent, at the last address of record for each such Holder).

SECTION 3.04. Existence. The Issuer shall keep in full effect its existence, rights and franchises as a limited liability company under the laws of the State of Delaware (unless it becomes, or any successor Issuer hereunder is or becomes, organized under the laws of any other State or of the United States of America, in which case the Issuer will keep in full effect its existence, rights and franchises under the laws of such other jurisdiction) and will obtain and maintain its qualification to do business in each jurisdiction in which such qualification is or shall be necessary to protect the validity and enforceability of this Indenture, the other Basic Documents, the Securitization Bonds, the Securitization Bond Collateral and each other instrument or agreement referenced herein or therein.

SECTION 3.05. Protection of Securitization Bond Collateral. The Issuer shall from time to time execute and deliver all such supplements and amendments hereto and all filings with the Commission, the Secretary of State of the State of Delaware or the Michigan Department of State pursuant to the Financing Order or to the Statute and all financing statements, continuation statements, instruments of further assurance and other instruments, and shall take such other action necessary or advisable, to:

(a) maintain the Lien (and the priority thereof) of this Indenture and the Series Supplement or carry out more effectively the purposes hereof;

(b) perfect, publish notice of or protect the validity of any Grant made or to be made by this Indenture;

(c) enforce any of the Securitization Bond Collateral;

(d) maintain and defend title to the Securitization Bond Collateral and the rights of the Indenture Trustee and the Holders in such Securitization Bond Collateral against the Claims of all Persons, including the challenge by any party to the validity or enforceability of the Financing Order, any Securitization Rate Schedule, the Securitization Property or any proceeding relating thereto and institute any action or proceeding necessary to compel performance by the Commission or the State of Michigan of any of its obligations or duties under the Statute, the State Pledge, the Financing Order or any Securitization Rate Schedule; or

(e) pay any and all taxes levied or assessed upon all or any part of the Securitization Bond Collateral.

The Indenture Trustee is specifically permitted and authorized, but not required, to file financing statements covering the Securitization Bond Collateral, including financing statements that describe the Securitization Bond Collateral as “all assets” or “all personal property” of the Issuer and/or reflecting Section 10m(9) of the Statute, it being understood that in no event shall the Indenture Trustee be responsible for filing any such financing statements.

SECTION 3.06. Opinions as to Securitization Bond Collateral.

(a) Within 90 days after the beginning of each calendar year beginning with the calendar year beginning January 1, 2024, the Issuer shall furnish to the Indenture Trustee an Opinion of Counsel of the Issuer either stating that, in the opinion of such counsel, such action has been taken with respect to the recording, filing, re-recording and refiling of this Indenture, any indentures supplemental hereto and any other requisite documents, and with respect to the execution and filing of any filings with the Commission, the Secretary of State of the State of Delaware or the Michigan Department of State pursuant to the Statute and the Financing Order, financing statements and continuation statements, as are necessary to maintain the Lien and the perfected security interest created by this Indenture and the Series Supplement and reciting the details of such action, or stating that, in the opinion of such counsel, no such action is necessary to maintain such Lien. Such Opinion of Counsel shall also describe the recording, filing, re-recording and refiling of this Indenture, any indentures supplemental hereto and any other requisite documents and the execution and filing of any filings with the Commission, the Secretary of State of the State of Delaware or the Michigan Department of State, financing statements and continuation statements that will, in the opinion of such counsel, be required within the 12-month period following the date of such opinion to maintain the Lien and the perfected security interest created by this Indenture and the Series Supplement.

(b) Prior to the effectiveness of any amendment to the Sale Agreement or the Servicing Agreement, the Issuer shall furnish to the Indenture Trustee an Opinion of Counsel of external counsel of the Issuer either (i) stating that, in the opinion of such counsel, all filings, including UCC financing statements and other filings with the Commission, the Secretary of State of the State of Delaware or the Michigan Department of State pursuant to the Statute or the Financing Order have been executed and filed that are necessary fully to maintain the Lien of the Issuer and the Indenture Trustee in the Securitization Property and the Securitization Bond Collateral, respectively, and the proceeds thereof, and reciting the details of such filings or referring to prior Opinions of Counsel in which such details are given, or (ii) stating that, in the opinion of such counsel, no such action shall be necessary to maintain such Lien.

SECTION 3.07. Performance of Obligations; Servicing; SEC Filings.

(a) The Issuer (i) shall diligently pursue any and all actions to enforce its rights under each instrument or agreement included in the Securitization Bond Collateral and (ii) shall not take any action and shall use its best efforts not to permit any action to be taken by others that would release any Person from any of such Person's covenants or obligations under any such instrument or agreement or that would result in the amendment, hypothecation, subordination, termination or discharge of, or impair the validity or effectiveness of, any such instrument or agreement, except, in each case, as expressly provided in this Indenture, the Series Supplement, the Sale Agreement, the Servicing Agreement, the Intercreditor Agreement or such other instrument or agreement.

(b) The Issuer may contract with other Persons to assist it in performing its duties under this Indenture, and any performance of such duties by a Person identified to the Indenture Trustee herein or in an Officer's Certificate shall be deemed to be action taken by the Issuer. Initially, the Issuer has contracted with the Servicer to assist the Issuer in performing its duties under this Indenture.

(c) The Issuer shall punctually perform and observe all of its obligations and agreements contained in this Indenture, the Series Supplement, the other Basic Documents and the instruments and agreements included in the Securitization Bond Collateral, including filing or causing to be filed all filings with the Commission, the Secretary of State of the State of Delaware or the Michigan Department of State pursuant to the Statute or the Financing Order, all UCC financing statements and all continuation statements required to be filed by it by the terms of this Indenture, the Series Supplement, the Sale Agreement and the Servicing Agreement in accordance with and within the time periods provided for herein and therein.

(d) If the Issuer shall have knowledge of the occurrence of a Servicer Default under the Servicing Agreement, the Issuer shall promptly give written notice thereof to the Indenture Trustee and the Rating Agencies and shall specify in such notice the response or action, if any, the Issuer has taken or is taking with respect to such Servicer Default. If a Servicer Default shall arise from the failure of the Servicer to perform any of its duties or obligations under the Servicing Agreement with respect to the Securitization Property, the Securitization Bond Collateral or the Securitization Charges, the Issuer shall take all reasonable steps available to it to remedy such failure.

(e) As promptly as possible after the giving of notice of termination to the Servicer and the Rating Agencies of the Servicer's rights and powers pursuant to Section 7.01 of the Servicing Agreement, the Indenture Trustee may and shall, at the written direction of the Holders evidencing a majority of the Outstanding Amount of the Securitization Bonds, appoint a successor Servicer (the "Successor Servicer"), and such Successor Servicer shall accept its appointment by a written assumption in a form acceptable to the Issuer and the Indenture Trustee. A Person shall qualify as a Successor Servicer only if such Person satisfies the requirements of the Servicing Agreement and the Intercreditor Agreement. If, within 30 days after the delivery of the notice referred to above, a new Servicer shall not have been appointed, the Indenture Trustee, at the Issuer's expense, may petition the Commission or a court of competent jurisdiction to appoint a Successor Servicer. In connection with any such appointment, Consumers Energy may make such arrangements for the compensation of such Successor Servicer as it and such successor shall agree, subject to the limitations set forth in Section 8.02 and in the Servicing Agreement.

(f) Upon any termination of the Servicer's rights and powers pursuant to the Servicing Agreement, the Indenture Trustee shall promptly notify the Issuer, the Holders and the Rating Agencies of such termination. As soon as a Successor Servicer is appointed, the Indenture Trustee shall notify the Issuer, the Holders and the Rating Agencies of such appointment, specifying in such notice the name and address of such Successor Servicer.

(g) The Issuer shall (or shall cause the Sponsor to) post on its website (which for this purpose may be the website of any direct or indirect parent company of the Issuer) and, to the extent consistent with the Issuer's and the Sponsor's obligations under applicable law, file with or furnish to the SEC in periodic reports and other reports as are required from time to time under Section 13 or Section 15(d) of the Exchange Act, and shall direct the Indenture Trustee to post on its website for investors, the following information (other than any such information filed with the SEC and publicly available to investors unless the Issuer specifically requests such items to be posted) with respect to the Outstanding Securitization Bonds, in each case to the extent such information is reasonably available to the Issuer:

(i) the Prospectus;

(ii) statements of any remittances of Securitization Charges made to the Indenture Trustee (to be included in a Form 10-D or Form 10-K, or successor forms thereto);

(iii) a statement reporting the balances in the Collection Account (including all subaccounts thereof) as of the date of the Semi-Annual Servicer's Certificate or the most recent date available (to be included in a Form 10-D or Form 10-K, or successor form thereto);

(iv) a statement showing the balance of Outstanding Securitization Bonds that reflects the actual periodic payments made on the Securitization Bonds during the applicable period (to be included in the next Form 10-D or Form 10-K filed, or successor form thereto);

(v) the Semi-Annual Servicer's Certificate as required to be submitted pursuant to the Servicing Agreement (to be filed with a Form 10-D, Form 10-K or Form 8-K, or successor forms thereto);

(vi) the Monthly Servicer's Certificate as required to be submitted pursuant to the Servicing Agreement;

(vii) the text (or a link to the website where a reader can find the text) of each filing of a True-Up Adjustment and the results of each such filing;

(viii) any change in the long-term or short-term credit ratings of the Servicer assigned by the Rating Agencies;

(ix) material legislative or regulatory developments directly relevant to the Outstanding Securitization Bonds (to be filed or furnished in a Form 8-K); and

(x) any reports and other information that the Issuer is required to file with the SEC under the Exchange Act.

Notwithstanding the foregoing, nothing herein shall preclude the Issuer from voluntarily suspending or terminating its filing obligations as Issuer with the SEC to the extent permitted by applicable law.

(h) The address of the Indenture Trustee's website for investors is https://gctinvestorreporting.bnymellon.com. The Indenture Trustee shall promptly notify the Issuer, the Holders and the Rating Agencies of any change to the address of the website for investors.

(i) The Issuer shall make all filings required under the Statute relating to the transfer of the ownership or security interest in the Securitization Property other than those required to be made by the Seller or the Servicer pursuant to the Basic Documents.

SECTION 3.08. Certain Negative Covenants. So long as any Securitization Bonds are Outstanding, the Issuer shall not:

(a) except as expressly permitted by this Indenture and the other Basic Documents, sell, transfer, convey, exchange or otherwise dispose of any of the properties or assets of the Issuer, including those included in the Securitization Bond Collateral, unless in accordance with Article V;

(b) claim any credit on, or make any deduction from the principal or premium, if any, or interest payable in respect of, the Securitization Bonds (other than amounts properly withheld from such payments under the Code, the Treasury regulations promulgated thereunder or other tax laws) or assert any claim against any present or former Holder by reason of the payment of the taxes levied or assessed upon any part of the Securitization Bond Collateral;

(c) terminate its existence or dissolve or liquidate in whole or in part, except in a transaction permitted by Section 3.10;

(d) (i) permit the validity or effectiveness of this Indenture or the other Basic Documents to be impaired, or permit the Lien of this Indenture and the Series Supplement to be amended, hypothecated, subordinated, terminated or discharged, or permit any Person to be released from any covenants or obligations with respect to the Securitization Bonds under this Indenture except as may be expressly permitted hereby, (ii) permit any Lien (other than the Lien of this Indenture or the Series Supplement) to be created on or extend to or otherwise arise upon or burden the Securitization Bond Collateral or any part thereof or any interest therein or the proceeds thereof (other than tax Liens arising by operation of law with respect to amounts not yet due) or (iii) permit the Lien of the Series Supplement not to constitute a valid first priority perfected security interest in the Securitization Bond Collateral;

(e) enter into any swap, hedge or similar financial instrument;

(f) elect to be classified as an association taxable as a corporation for U.S. federal income tax purposes or otherwise take any action, file any tax return or make any election inconsistent with the treatment of the Issuer, for U.S. federal income tax purposes and, to the extent consistent with applicable State tax law, State income and franchise tax purposes, as a disregarded entity that is not separate from the sole owner of the Issuer;

(g) change its name, identity or structure or the location of its chief executive office, unless at least ten Business Days prior to the effective date of any such change the Issuer delivers to the Indenture Trustee (with copies to the Rating Agencies) such documents, instruments or agreements, executed by the Issuer, as are necessary to reflect such change and to continue the perfection of the security interest of this Indenture and the Series Supplement;

(h) take any action that is subject to a Rating Agency Condition without satisfying the Rating Agency Condition;

(i) except to the extent permitted by applicable law, voluntarily suspend or terminate its filing obligations with the SEC as described in Section 3.07(g); or

(j) issue any securitization bonds (as defined for this purpose in the Statute) under the Statute or any similar law (other than the Securitization Bonds subject to the conditions described herein) or issue any other debt obligations.

SECTION 3.09. Annual Statement as to Compliance. The Issuer will deliver to the Indenture Trustee and the Rating Agencies not later than March 31 of each year (commencing with March 31, 2024), an Officer's Certificate stating, as to the Responsible Officer signing such Officer's Certificate, that:

(a) a review of the activities of the Issuer during the preceding 12 months ended December 31 (or, in the case of the first such Officer's Certificate, since the Closing Date) and of performance under this Indenture has been made; and

(b) to the best of such Responsible Officer's knowledge, based on such review, the Issuer has in all material respects complied with all conditions and covenants under this Indenture throughout such 12-month period (or such shorter period in the case of the first such Officer's Certificate), or, if there has been a default in the compliance of any such condition or covenant, specifying each such default known to such Responsible Officer and the nature and status thereof.

SECTION 3.10. Issuer May Consolidate, etc., Only on Certain Terms.

(a) The Issuer shall not consolidate or merge with or into any other Person, unless:

(i) the Person (if other than the Issuer) formed by or surviving such consolidation or merger shall (A) be a Person organized and existing under the laws of the United States of America or any State, (B) expressly assume, by an indenture supplemental hereto, executed and delivered to the Indenture Trustee, in form and substance satisfactory to the Indenture Trustee, the performance or observance of every agreement and covenant of this Indenture and the Series Supplement on the part of the Issuer to be performed or observed, all as provided herein and in the Series Supplement, and (C) assume all obligations and succeed to all rights of the Issuer under the Sale Agreement, the Servicing Agreement and each other Basic Document to which the Issuer is a party;

(ii) immediately after giving effect to such merger or consolidation, no Default, Event of Default or Servicer Default shall have occurred and be continuing;

(iii) the Rating Agency Condition shall have been satisfied with respect to such merger or consolidation;

(iv) the Issuer shall have delivered to Consumers Energy, the Indenture Trustee and the Rating Agencies an opinion or opinions of outside tax counsel (as selected by the Issuer, in form and substance reasonably satisfactory to Consumers Energy and the Indenture Trustee, and which may be based on a ruling from the Internal Revenue Service) to the effect that the consolidation or merger will not result in a material adverse U.S. federal or State income tax consequence to the Issuer, Consumers Energy, the Indenture Trustee or the then-existing Holders;

(v) any action as is necessary to maintain the Lien and the perfected security interest in the Securitization Bond Collateral created by this Indenture and the Series Supplement shall have been taken as evidenced by an Opinion of Counsel of external counsel of the Issuer delivered to the Indenture Trustee; and

(vi) the Issuer shall have delivered to the Indenture Trustee an Officer's Certificate and an Opinion of Counsel of external counsel of the Issuer each stating that such consolidation or merger and such supplemental indenture comply with this Indenture and the Series Supplement and that all conditions precedent herein provided for in this Section 3.10(a) with respect to such transaction have been complied with (including any filing required by the Exchange Act).

(b) Except as specifically provided herein, the Issuer shall not sell, convey, exchange, transfer or otherwise dispose of any of its properties or assets included in the Securitization Bond Collateral, to any Person, unless:

(i) the Person that acquires the properties and assets of the Issuer, the conveyance or transfer of which is hereby restricted, (A) shall be a United States citizen or a Person organized and existing under the laws of the United States of America or any State, (B) expressly assumes, by an indenture supplemental hereto, executed and delivered to the Indenture Trustee, in form and substance satisfactory to the Indenture Trustee, the performance or observance of every agreement and covenant of this Indenture on the part of the Issuer to be performed or observed, all as provided herein and in the Series Supplement, (C) expressly agrees by means of such supplemental indenture that all right, title and interest so sold, conveyed, exchanged, transferred or otherwise disposed of shall be subject and subordinate to the rights of Holders, (D) unless otherwise provided in the supplemental indenture referred to in Section 3.10(b)(i)(B), expressly agrees to indemnify, defend and hold harmless the Issuer and the Indenture Trustee against and from any loss, liability or expense arising under or related to this Indenture, the Series Supplement and the Securitization Bonds (including the enforcement costs of such indemnity), (E) expressly agrees by means of such supplemental indenture that such Person (or if a group of Persons, then one specified Person) shall make all filings with the SEC (and any other appropriate Person) required by the Exchange Act in connection with the Securitization Bonds and (F) if such sale, conveyance, exchange, transfer or disposal relates to the Issuer's rights and obligations under the Sale Agreement or the Servicing Agreement, assumes all obligations and succeeds to all rights of the Issuer under the Sale Agreement and the Servicing Agreement, as applicable;

(ii) immediately after giving effect to such transaction, no Default, Event of Default or Servicer Default shall have occurred and be continuing;

(iii) the Rating Agency Condition shall have been satisfied with respect to such transaction;

(iv) the Issuer shall have delivered to Consumers Energy, the Indenture Trustee and the Rating Agencies an opinion or opinions of outside tax counsel (as selected by the Issuer, in form and substance reasonably satisfactory to Consumers Energy and the Indenture Trustee, and which may be based on a ruling from the Internal Revenue Service) to the effect that the disposition will not result in a material adverse U.S. federal or State income tax consequence to the Issuer, Consumers Energy, the Indenture Trustee or the then-existing Holders;

(v) any action as is necessary to maintain the Lien and the perfected security interest in the Securitization Bond Collateral created by this Indenture and the Series Supplement shall have been taken as evidenced by an Opinion of Counsel of external counsel of the Issuer delivered to the Indenture Trustee; and

(vi) the Issuer shall have delivered to the Indenture Trustee an Officer's Certificate and an Opinion of Counsel of external counsel of the Issuer each stating that such sale, conveyance, exchange, transfer or other disposition and such supplemental indenture comply with this Indenture and the Series Supplement and that all conditions precedent herein provided for in this Section 3.10(b) with respect to such transaction have been complied with (including any filing required by the Exchange Act).

SECTION 3.11. Successor or Transferee.

(a) Upon any consolidation or merger of the Issuer in accordance with Section 3.10(a), the Person formed by or surviving such consolidation or merger (if other than the Issuer) shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under this Indenture with the same effect as if such Person had been named as the Issuer herein.

(b) Except as set forth in Section 6.07, upon a sale, conveyance, exchange, transfer or other disposition of all the assets and properties of the Issuer in accordance with Section 3.10(b), the Issuer will be released from every covenant and agreement of this Indenture and the other Basic Documents to be observed or performed on the part of the Issuer with respect to the Securitization Bonds and the Securitization Property immediately following the consummation of such acquisition upon the delivery of written notice to the Indenture Trustee from the Person acquiring such assets and properties stating that the Issuer is to be so released.

SECTION 3.12. No Other Business. The Issuer shall not engage in any business other than financing, purchasing, owning, administering, managing and servicing the Securitization Property and the other Securitization Bond Collateral and the issuance of the Securitization Bonds in the manner contemplated by the Financing Order and this Indenture and the other Basic Documents and activities incidental thereto.

SECTION 3.13. No Borrowing. The Issuer shall not issue, incur, assume, guarantee or otherwise become liable, directly or indirectly, for any indebtedness except for the Securitization Bonds and any other indebtedness expressly permitted by or arising under the Basic Documents.

SECTION 3.14. Servicer's Obligations. The Issuer shall enforce the Servicer's compliance with and performance of all of the Servicer's material obligations under the Servicing Agreement.

SECTION 3.15. Guarantees, Loans, Advances and Other Liabilities. Except as otherwise contemplated by the Sale Agreement, the Servicing Agreement or this Indenture, the Issuer shall not make any loan or advance or credit to, or guarantee (directly or indirectly or by an instrument having the effect of assuring another's payment or performance on any obligation or capability of so doing or otherwise), endorse or otherwise become contingently liable, directly or indirectly, in connection with the obligations, stocks or dividends of, or own, purchase, repurchase or acquire (or agree contingently to do so) any stock, obligations, assets or securities of, or any other interest in, or make any capital contribution to, any other Person.

SECTION 3.16. Capital Expenditures. Other than the purchase of Securitization Property from the Seller on the Closing Date, the Issuer shall not make any expenditure (by long-term or operating lease or otherwise) for capital assets (either realty or personalty).

SECTION 3.17. Restricted Payments. Except as provided in Section 8.04(c), the Issuer shall not, directly or indirectly, (a) pay any dividend or make any distribution (by reduction of capital or otherwise), whether in cash, property, securities or a combination thereof, to any owner of an interest in the Issuer or otherwise with respect to any ownership or equity interest or similar security in or of the Issuer, (b) redeem, purchase, retire or otherwise acquire for value any such ownership or equity interest or similar security or (c) set aside or otherwise segregate any amounts for any such purpose; provided, however, that, if no Event of Default shall have occurred and be continuing or would be caused thereby, the Issuer may make, or cause to be made, any such distributions to any owner of an interest in the Issuer or otherwise with respect to any ownership or equity interest or similar security in or of the Issuer using funds distributed to the Issuer pursuant to Section 8.02(e)(x) to the extent that such distributions would not cause the balance of the Capital Subaccount to decline below the Required Capital Level. The Issuer will not, directly or indirectly, make payments to or distributions from the Collection Account (including any subaccount thereof) except in accordance with this Indenture and the other Basic Documents.

SECTION 3.18. Notice of Events of Default. The Issuer agrees to give the Indenture Trustee and the Rating Agencies prompt written notice of each Default or Event of Default hereunder as provided in Section 5.01, and each default on the part of the Seller or the Servicer of its obligations under the Sale Agreement or the Servicing Agreement, respectively.

SECTION 3.19. Further Instruments and Acts. Upon request of the Indenture Trustee or as required by applicable law, the Issuer shall execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purpose of this Indenture and to maintain the first priority perfected security interest of the Indenture Trustee in the Securitization Bond Collateral.

SECTION 3.20. Inspection. The Issuer agrees that, on reasonable prior notice, it will permit any representative of the Indenture Trustee, during the Issuer's normal business hours, to examine all the books of account, records, reports and other papers of the Issuer, to make copies and extracts therefrom, to cause such books to be audited annually by Independent registered public accountants, and to discuss the Issuer's affairs, finances and accounts with the Issuer's officers, employees and Independent registered public accountants, all at such reasonable times and as often as may be reasonably requested. The Indenture Trustee shall and shall cause its representatives to hold in confidence all such information except to the extent disclosure may be required by law (and all reasonable applications for confidential treatment are unavailing) and except to the extent that the Indenture Trustee may reasonably determine that such disclosure is consistent with its obligations hereunder. Notwithstanding anything herein to the contrary, the preceding sentence shall not be construed to prohibit (a) disclosure of any and all information that is or becomes publicly known, or information obtained by the Indenture Trustee from sources other than the Issuer, provided such parties are rightfully in possession of such information, (b) disclosure of any and all information (i) if required to do so by any applicable statute, law, rule or regulation, (ii) pursuant to any subpoena, civil investigative demand or similar demand or request of any court or regulatory authority exercising its proper jurisdiction, (iii) in any preliminary or final prospectus, registration statement or other document, a copy of which has been filed with the SEC, (iv) to any Affiliate, independent or internal auditor, agent, employee or attorney of the Indenture Trustee having a need to know the same, provided that such parties agree to be bound by the confidentiality provisions contained in this Section 3.20, or (v) to any Rating Agency or (c) any other disclosure authorized by the Issuer.

SECTION 3.21. Sale Agreement, Servicing Agreement, Intercreditor Agreement and Administration Agreement Covenants.

(a) The Issuer agrees to take all such lawful actions to enforce its rights under the Sale Agreement, the Servicing Agreement, the Intercreditor Agreement, the Administration Agreement and the other Basic Documents, and to compel or secure the performance and observance by the Seller, the Servicer, the Administrator and Consumers Energy of each of their respective obligations to the Issuer under or in connection with the Sale Agreement, the Servicing Agreement, the Intercreditor Agreement, the Administration Agreement and the other Basic Documents in accordance with the terms thereof. So long as no Event of Default occurs and is continuing, but subject to Section 3.21(f), the Issuer may exercise any and all rights, remedies, powers and privileges lawfully available to the Issuer under or in connection with the Sale Agreement, the Servicing Agreement, the Intercreditor Agreement and the Administration Agreement; provided, that such action shall not adversely affect the interests of the Holders in any material respect. However, if the Issuer or the Servicer proposes to amend, modify, waive, supplement, terminate or surrender in any material respect, or agree to any material amendment, modification, supplement, termination, waiver or surrender of, the process for adjusting the Securitization Charges, the Issuer must notify the Indenture Trustee in writing, and the Indenture Trustee must notify the Holders of such proposal. In addition, the Indenture Trustee may consent to such proposal only with the written consent of the Holders of a majority of the Outstanding Amount of Securitization Bonds of the Tranches affected thereby and only if the Rating Agency Condition is satisfied. In determining whether a majority of Holders have so consented, Securitization Bonds owned by the Issuer, Consumers Energy or any Affiliate thereof shall be disregarded, except that, in determining whether the Indenture Trustee shall be protected in relying upon any such consent, the Indenture Trustee shall only be required to disregard any Securitization Bonds it actually knows to be so owned.

(b) If an Event of Default occurs and is continuing, the Indenture Trustee may, and at the direction (which direction shall be in writing) of Holders of a majority of the Outstanding Amount of the Securitization Bonds of all Tranches affected thereby shall, exercise all rights, remedies, powers, privileges and claims of the Issuer against the Seller, Consumers Energy, the Administrator and the Servicer, as the case may be, under or in connection with the Sale Agreement, the Servicing Agreement, the Intercreditor Agreement and the Administration Agreement, including the right or power to take any action to compel or secure performance or observance by the Seller, Consumers Energy, the Administrator or the Servicer of each of their obligations to the Issuer thereunder and to give any consent, request, notice, direction, approval, extension or waiver under the Sale Agreement, the Servicing Agreement, the Intercreditor Agreement and the Administration Agreement, and any right of the Issuer to take such action shall be suspended.

(c) Except as set forth in Section 3.21(d), the Administration Agreement, the Sale Agreement, the Servicing Agreement and the Intercreditor Agreement may be amended in accordance with the provisions thereof, so long as either (i) the Rating Agency Condition is satisfied in connection therewith (where required pursuant to the applicable Basic Document) or (ii) ten Business Days' prior written notice of such amendment has been provided to the Rating Agencies in accordance with the applicable Basic Document, in either case at any time and from time to time, without the consent of the Holders of the Securitization Bonds, but with the acknowledgment of the Indenture Trustee; provided, that the Indenture Trustee shall provide such acknowledgment upon receipt of an Officer's Certificate of the Issuer evidencing either (x) satisfaction of such Rating Agency Condition or (y) notice of such amendment having been provided to the Rating Agencies in accordance with the applicable Basic Document and in either case an Opinion of Counsel of external counsel of the Issuer stating that such amendment is in accordance with the provisions of such Basic Document, in each case, upon which the Indenture Trustee may conclusively rely. Promptly after the execution of any such amendment or consent, the Issuer shall furnish copies of such amendment or consent to each of the Rating Agencies. In determining whether a majority of Holders have so consented, Securitization Bonds owned by the Issuer, Consumers Energy or any Affiliate thereof shall be disregarded, except that, in determining whether the Indenture Trustee shall be protected in relying upon any such consent, the Indenture Trustee shall only be required to disregard any Securitization Bonds it actually knows to be so owned.

(d) Except as set forth in Section 3.21(e), if the Issuer, the Seller, Consumers Energy, the Administrator, the Servicer or any other party to the respective agreement proposes to amend, modify, waive, supplement, terminate or surrender, or agree to any amendment, modification, waiver, supplement, termination or surrender of, the terms of the Sale Agreement, the Administration Agreement, the Servicing Agreement or the Intercreditor Agreement, or waive timely performance or observance by the Issuer, the Seller, Consumers Energy, the Administrator, the Servicer or any other party under the Sale Agreement, the Administration Agreement, the Servicing Agreement or the Intercreditor Agreement, in each case in such a way as would materially and adversely affect the interests of any Holder of Securitization Bonds, the Issuer shall first notify the Rating Agencies of the proposed amendment, modification, waiver, supplement, termination or surrender and shall promptly notify the Indenture Trustee and the Holders of the Securitization Bonds in writing of the proposed amendment, modification, waiver, supplement, termination or surrender and whether the Rating Agency Condition has been satisfied with respect thereto (or, pursuant to an Issuer Request, the Indenture Trustee shall so notify the Holders of the Securitization Bonds on the Issuer's behalf). The Indenture Trustee shall consent to such proposed amendment, modification, waiver, supplement, termination or surrender only if the Rating Agency Condition is satisfied and only with the prior written consent of the Holders of a majority of the Outstanding Amount of Securitization Bonds of the Tranches materially and adversely affected thereby. If any such amendment, modification, waiver, supplement, termination or surrender shall be so consented to by the Indenture Trustee or such Holders, the Issuer agrees to execute and deliver, in its own name and at its own expense, such agreements, instruments, consents and other documents as shall be necessary or appropriate in the circumstances. In determining whether a majority of Holders have so consented, Securitization Bonds owned by the Issuer, Consumers Energy or any Affiliate thereof shall be disregarded, except that, in determining whether the Indenture Trustee shall be protected in relying upon any such consent, the Indenture Trustee shall only be required to disregard any Securitization Bonds it actually knows to be so owned.

(e) If the Issuer or the Servicer proposes to amend, modify, waive, supplement, terminate or surrender, or to agree to any amendment, modification, supplement, termination, waiver or surrender of, the process for True-Up Adjustments, the Issuer shall notify the Indenture Trustee and the Holders of the Securitization Bonds and, when required, the Commission in writing of such proposal (or, pursuant to an Issuer Request, the Indenture Trustee shall so notify the Holders of the Securitization Bonds on the Issuer's behalf) and the Indenture Trustee shall consent thereto only with the prior written consent of the Holders of a majority of the Outstanding Amount of Securitization Bonds of the Tranches affected thereby and only if the Rating Agency Condition has been satisfied with respect thereto.

(f) Promptly following a default by the Seller under the Sale Agreement, by the Administrator under the Administration Agreement or by any party under the Intercreditor Agreement, or the occurrence of a Servicer Default under the Servicing Agreement, and at the Issuer's expense, the Issuer agrees to take all such lawful actions as is commercially reasonable or is requested by the Indenture Trustee to compel or secure the performance and observance by each of the Seller, the Administrator or the Servicer, and by such party to the Intercreditor Agreement, of their obligations under and in accordance with the Sale Agreement, the Servicing Agreement, the Administration Agreement and the Intercreditor Agreement, as the case may be, in accordance with the terms thereof, and to exercise any and all rights, remedies, powers and privileges lawfully available to the Issuer under or in connection with such agreements to the extent and in the manner directed by the Indenture Trustee, including the transmission of notices of any default by the Seller, the Administrator or the Servicer, respectively, thereunder and the institution of legal or administrative actions or Proceedings to compel or secure performance of their obligations under the Sale Agreement, the Servicing Agreement, the Administration Agreement or the Intercreditor Agreement, as applicable.

(g) Before consenting to any amendment, modification, supplement, termination, waiver or surrender under Section 3.21(d) or Section 3.21(e), the Indenture Trustee shall be entitled to receive, and, subject to Section 6.01 and Section 6.02, shall be fully protected in relying upon, an Opinion of Counsel stating that such action is authorized and permitted by this Indenture and all conditions precedent to such amendment have been satisfied.

SECTION 3.22. Taxes. So long as any of the Securitization Bonds are Outstanding, the Issuer shall pay all taxes, assessments and governmental charges imposed upon it or any of its properties or assets or with respect to any of its franchises, business, income or property before any penalty accrues thereon if the failure to pay any such taxes, assessments and governmental charges would, after any applicable grace periods, notices or other similar requirements, result in a Lien on the Securitization Bond Collateral; provided, that no such tax need be paid if the Issuer is contesting the same in good faith by appropriate proceedings promptly instituted and diligently conducted and if the Issuer has established appropriate reserves as shall be required in conformity with generally accepted accounting principles.

SECTION 3.23. Notices from Holders. The Issuer shall promptly transmit any notice received by it from the Holders to the Indenture Trustee.

SECTION 3.24. Volcker Rule. The Issuer is structured so as not to be a "covered fund" under the regulations adopted to implement Section 619 of the Dodd Frank Wall Street Reform and Consumer Protection Act, commonly known as the "Volcker Rule".

ARTICLE IV

SATISFACTION AND DISCHARGE; DEFEASANCE

SECTION 4.01. Satisfaction and Discharge of Indenture; Defeasance.

(a) This Indenture shall cease to be of further effect with respect to the Securitization Bonds, and the Indenture Trustee, on reasonable written demand of and at the expense of the Issuer, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture with respect to the Securitization Bonds, when:

(i) Either:

(A) all Securitization Bonds theretofore authenticated and delivered (other than (1) Securitization Bonds that have been destroyed, lost or stolen and that have been replaced or paid as provided in Section 2.06 and (2) Securitization Bonds for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Issuer and thereafter repaid to the Issuer or discharged from such trust, as provided in the last paragraph of Section 3.03) have been delivered to the Indenture Trustee for cancellation; or

(B) either (1) the Scheduled Final Payment Date has occurred with respect to all Securitization Bonds not theretofore delivered to the Indenture Trustee for cancellation or (2) the Securitization Bonds will be due and payable on their respective Scheduled Final Payment Dates within one year, and, in any such case, the Issuer has irrevocably deposited or caused to be irrevocably deposited in trust with the Indenture Trustee (i) cash and/or (ii) U.S. Government Obligations that through the scheduled payments of principal and interest in respect thereof in accordance with their terms are in an amount sufficient to pay principal, interest and premium, if any, on the Securitization Bonds not theretofore delivered to the Indenture Trustee for cancellation, Ongoing Other Qualified Costs and all other sums payable hereunder by the Issuer with respect to the Securitization Bonds when scheduled to be paid and to discharge the entire indebtedness on the Securitization Bonds when due;

(ii) the Issuer has paid or caused to be paid all other sums payable hereunder by the Issuer; and

(iii) the Issuer has delivered to the Indenture Trustee an Officer's Certificate, an Opinion of Counsel of external counsel of the Issuer and (if required by the Trust Indenture Act or the Indenture Trustee) an Independent Certificate from a firm of registered public accountants, each meeting the applicable requirements of Section 10.01(a) and each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture with respect to the Securitization Bonds have been complied with.

(b) Subject to Section 4.01(c) and Section 4.02, the Issuer at any time may terminate (i) all its obligations under this Indenture with respect to the Securitization Bonds ("Legal Defeasance Option") or (ii) its obligations under Section 3.04, Section 3.05, Section 3.06, Section 3.07, Section 3.08, Section 3.09, Section 3.10, Section 3.12, Section 3.13, Section 3.14, Section 3.15, Section 3.16, Section 3.17, Section 3.18 and Section 3.19 and the operation of Section 5.01(c) with respect to the Securitization Bonds ("Covenant Defeasance Option"). The Issuer may exercise the Legal Defeasance Option with respect to the Securitization Bonds notwithstanding its prior exercise of the Covenant Defeasance Option.

If the Issuer exercises the Legal Defeasance Option, the maturity of the Securitization Bonds may not be accelerated because of an Event of Default. If the Issuer exercises the Covenant Defeasance Option, the maturity of the Securitization Bonds may not be accelerated because of an Event of Default specified in Section 5.01(c).

Upon satisfaction of the conditions set forth herein to the exercise of the Legal Defeasance Option or the Covenant Defeasance Option with respect to the Securitization Bonds, the Indenture Trustee, on reasonable written demand of and at the expense of the Issuer, shall execute proper instruments acknowledging satisfaction and discharge of the obligations that are terminated pursuant to such exercise.

(c) Notwithstanding Section 4.01(a) and Section 4.01(b), (i) rights of registration of transfer and exchange, (ii) substitution of mutilated, destroyed, lost or stolen Securitization Bonds, (iii) rights of Holders to receive payments of principal, premium, if any, and interest, (iv) Section 4.03 and Section 4.04, (v) the rights, obligations and immunities of the Indenture Trustee hereunder (including the rights of the Indenture Trustee under Section 6.07 and the obligations of the Indenture Trustee under Section 4.03) and (vi) the rights of Holders as beneficiaries hereof with respect to the property deposited with the Indenture Trustee payable to all or any of them, each shall survive until this Indenture or certain obligations hereunder have been satisfied and discharged pursuant to Section 4.01(a) or Section 4.01(b). Thereafter the obligations in Section 6.07 and Section 4.04 shall survive.

SECTION 4.02. Conditions to Defeasance. The Issuer may exercise the Legal Defeasance Option or the Covenant Defeasance Option with respect to the Securitization Bonds only if:

(a) the Issuer has irrevocably deposited or caused to be irrevocably deposited in trust with the Indenture Trustee (i) cash and/or (ii) U.S. Government Obligations that through the scheduled payments of principal and interest in respect thereof in accordance with their terms are in an amount sufficient to pay principal, interest and premium, if any, on the Securitization Bonds not therefore delivered to the Indenture Trustee for cancellation and Ongoing Other Qualified Costs and all other sums payable hereunder by the Issuer with respect to the Securitization Bonds when scheduled to be paid and to discharge the entire indebtedness on the Securitization Bonds when due;

(b) the Issuer delivers to the Indenture Trustee a certificate from a nationally recognized firm of Independent registered public accountants expressing its opinion that the payments of principal of and interest on the deposited U.S. Government Obligations when due and without reinvestment plus any deposited cash will provide cash at such times and in such amounts (but, in the case of the Legal Defeasance Option only, not more than such amounts) as will be sufficient to pay in respect of the Securitization Bonds (i) principal in accordance with the Expected Amortization Schedule therefor, (ii) interest when due and (iii) Ongoing Other Qualified Costs and all other sums payable hereunder by the Issuer with respect to the Securitization Bonds;

(c) in the case of the Legal Defeasance Option, 95 days pass after the deposit is made and during the 95-day period no Default specified in Section 5.01(e) or Section 5.01(f) occurs that is continuing at the end of the period;

(d) no Default has occurred and is continuing on the day of such deposit and after giving effect thereto;

(e) in the case of an exercise of the Legal Defeasance Option, the Issuer shall have delivered to the Indenture Trustee an Opinion of Counsel of external counsel of the Issuer stating that (i) the Issuer has received from, or there has been published by, the Internal Revenue Service a ruling or (ii) since the date of execution of this Indenture, there has been a change in the applicable U.S. federal income tax law, in either case to the effect that, and based thereon such opinion shall confirm that, the Holders of the Securitization Bonds will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such legal defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such legal defeasance had not occurred;

(f) in the case of an exercise of the Covenant Defeasance Option, the Issuer shall have delivered to the Indenture Trustee an Opinion of Counsel of external counsel of the Issuer to the effect that the Holders of the Securitization Bonds will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such covenant defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such covenant defeasance had not occurred;

(g) the Issuer delivers to the Indenture Trustee an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent to the Legal Defeasance Option or the Covenant Defeasance Option, as applicable, have been complied with as required by this Article IV;

(h) the Issuer delivers to the Indenture Trustee an Opinion of Counsel of external counsel of the Issuer to the effect that (i) in a case under the Bankruptcy Code in which Consumers Energy (or any of its Affiliates, other than the Issuer) is the debtor, the court would hold that the deposited moneys or U.S. Government Obligations would not be property of the bankruptcy estate of Consumers Energy (or any of its Affiliates, other than the Issuer, that deposited the moneys or U.S. Government Obligations); and (ii) in the event Consumers Energy (or any of its Affiliates, other than the Issuer, that deposited the moneys or U.S. Government Obligations) were to be a debtor in a case under the Bankruptcy Code, the court would not disregard the separate legal existence of Consumers Energy (or any of its Affiliates, other than the Issuer, that deposited the moneys or U.S. Government Obligations) and the Issuer so as to order substantive consolidation of the Issuer's assets and liabilities with the assets and liabilities of Consumers Energy or such other Affiliate; and

(i) the Rating Agency Condition shall have been satisfied with respect to the exercise of any Legal Defeasance Option or Covenant Defeasance Option.

Notwithstanding any other provision of this Section 4.02, no delivery of moneys or U.S. Government Obligations to the Indenture Trustee shall terminate any obligation of the Issuer to the Indenture Trustee under this Indenture or the Series Supplement or any obligation of the Issuer to apply such moneys or U.S. Government Obligations under Section 4.03 until principal of and premium, if any, and interest on the Securitization Bonds shall have been paid in accordance with the provisions of this Indenture and the Series Supplement.

SECTION 4.03. Application of Trust Money. All moneys or U.S. Government Obligations deposited with the Indenture Trustee pursuant to Section 4.01 or Section 4.02 shall be held in trust and applied by it, in accordance with the provisions of the Securitization Bonds and this Indenture, to the payment, either directly or through any Paying Agent, as the Indenture Trustee may determine, to the Holders of the particular Securitization Bonds for the payment of which such moneys have been deposited with the Indenture Trustee, of all sums due and to become due thereon for principal, premium, if any, and interest; but such moneys need not be segregated from other funds except to the extent required herein or in the Servicing Agreement or required by law. Notwithstanding anything to the contrary in this Article IV, the Indenture Trustee shall deliver or pay to the Issuer from time to time upon Issuer Request any moneys or U.S. Government Obligations held by it pursuant to Section 4.02 that, in the opinion of a nationally recognized firm of Independent registered public accountants expressed in a written certification thereof delivered to the Indenture Trustee (and not at the cost or expense of the Indenture Trustee), are in excess of the amount thereof that would be required to be deposited for the purpose for which such moneys or U.S. Government Obligations were deposited; provided, that any such payment shall be subject to the satisfaction of the Rating Agency Condition.

SECTION 4.04. Repayment of Moneys Held by Paying Agent. In connection with the satisfaction and discharge of this Indenture or the Covenant Defeasance Option or Legal Defeasance Option with respect to the Securitization Bonds, all moneys then held by any Paying Agent other than the Indenture Trustee under the provisions of this Indenture or the Intercreditor Agreement shall, upon demand of the Issuer, be paid to the Indenture Trustee to be held and applied according to Section 3.03 and thereupon such Paying Agent shall be released from all further liability with respect to such moneys.

ARTICLE V

REMEDIES

SECTION 5.01. Events of Default. "Event of Default" means any one or more of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(a) default in the payment of any interest on any Securitization Bond when the same becomes due and payable (whether such failure to pay interest is caused by a shortfall in the Securitization Charges received or otherwise), and such default shall continue for a period of five Business Days;

(b) default in the payment of the then unpaid principal of any Securitization Bond of any Tranche on the Final Maturity Date for such Tranche;

(c) default in the observance or performance of any covenant or agreement of the Issuer made in this Indenture (other than defaults specified in Section 5.01(a) or Section 5.01(b)), and such default shall continue or not be cured, for a period of 30 days after the earlier of (i) the date that there shall have been given, by registered or certified mail, to the Issuer by the Indenture Trustee or to the Issuer and the Indenture Trustee by the Holders of at least 25 percent of the Outstanding Amount of the Securitization Bonds, a written notice specifying such default and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder or (ii) the date that the Issuer has actual knowledge of the default;

(d) any representation or warranty of the Issuer made in this Indenture or in any certificate or other writing delivered pursuant hereto or in connection herewith proving to have been incorrect in any material respect as of the time when the same shall have been made, and the circumstance or condition in respect of which such representation or warranty was incorrect shall not have been eliminated or otherwise cured, within 30 days after the earlier of (i) the date that there shall have been given, by registered or certified mail, to the Issuer by the Indenture Trustee or to the Issuer and the Indenture Trustee by the Holders of at least 25 percent of the Outstanding Amount of the Securitization Bonds, a written notice specifying such incorrect representation or warranty and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder or (ii) the date the Issuer has actual knowledge of the default;

(e) the filing of a decree or order for relief by a court having jurisdiction in the premises in respect of the Issuer or any substantial part of the Securitization Bond Collateral in an involuntary case or proceeding under any applicable U.S. federal or State bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Issuer or for any substantial part of the Securitization Bond Collateral, or ordering the winding-up or liquidation of the Issuer's affairs, and such decree or order shall remain unstayed and in effect for a period of 90 consecutive days;

(f) the commencement by the Issuer of a voluntary case under any applicable U.S. federal or State bankruptcy, insolvency or other similar law now or hereafter in effect, or the consent by the Issuer to the entry of an order for relief in an involuntary case or proceeding under any such law, or the consent by the Issuer to the appointment or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Issuer or for any substantial part of the Securitization Bond Collateral, or the making by the Issuer of any general assignment for the benefit of creditors, or the failure by the Issuer generally to pay its debts as such debts become due, or the taking of action by the Issuer in furtherance of any of the foregoing; or

(g) any act or failure to act by the State of Michigan or any of its agencies (including the Commission), officers or employees that violates the State Pledge or is not in accordance with the State Pledge.

The Issuer shall deliver to a Responsible Officer of the Indenture Trustee and to the Rating Agencies, within five days after a Responsible Officer of the Issuer has knowledge of the occurrence thereof, written notice in the form of an Officer's Certificate of any event (i) that is an Event of Default under Section 5.01(a), Section 5.01(b), Section 5.01(f) or Section 5.01(g) or (ii) that with the giving of notice, the lapse of time, or both, would become an Event of Default under Section 5.01(c), Section 5.01(d) or Section 5.01(e), including, in each case, the status of such Default or Event of Default and what action the Issuer is taking or proposes to take with respect thereto.

SECTION 5.02. Acceleration of Maturity; Rescission and Annulment. If an Event of Default (other than an Event of Default under Section 5.01(g)) should occur and be continuing, then and in every such case the Indenture Trustee or the Holders representing a majority of the Outstanding Amount of the Securitization Bonds may declare the Securitization Bonds to be immediately due and payable, by a notice in writing to the Issuer (and to the Indenture Trustee if given by Holders), and upon any such declaration the unpaid principal amount of the Securitization Bonds, together with accrued and unpaid interest thereon through the date of acceleration, shall become immediately due and payable.

At any time after such declaration of acceleration of maturity has been made and before a judgment or decree for payment of the money due has been obtained by the Indenture Trustee as hereinafter in this Article V provided, the Holders representing a majority of the Outstanding Amount of the Securitization Bonds, by written notice to the Issuer and the Indenture Trustee, may rescind and annul such declaration and its consequences if:

(a) the Issuer has paid or deposited with the Indenture Trustee a sum sufficient to pay:

(i) all payments of principal of and premium, if any, and interest on all Securitization Bonds due and owing at such time as if such Event of Default had not occurred and was not continuing and all other amounts that would then be due hereunder or upon the Securitization Bonds if the Event of Default giving rise to such acceleration had not occurred; and

(ii) all sums paid or advanced by the Indenture Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Indenture Trustee and its agents and counsel; and

(b) all Events of Default, other than the nonpayment of the principal of the Securitization Bonds that has become due solely by such acceleration, have been cured or waived as provided in Section 5.12.

No such rescission shall affect any subsequent default or impair any right consequent thereto.

SECTION 5.03. Collection of Indebtedness and Suits for Enforcement by Indenture Trustee.

(a) If an Event of Default under Section 5.01(a) or Section 5.01(b) has occurred and is continuing, subject to Section 10.16, the Indenture Trustee, in its own name and as trustee of an express trust, may institute a Proceeding for the collection of the sums so due and unpaid, and may prosecute such Proceeding to judgment or final decree, and, subject to the limitations on recourse set forth herein, may enforce the same against the Issuer or other obligor upon the Securitization Bonds and collect in the manner provided by law out of the property of the Issuer or other obligor upon the Securitization Bonds wherever situated the moneys payable, or the Securitization Bond Collateral and the proceeds thereof, the whole amount then due and payable on the Securitization Bonds for principal, premium, if any, and interest, with interest upon the overdue principal and premium, if any, and, to the extent payment at such rate of interest shall be legally enforceable, upon overdue installments of interest, at the respective rate borne by the Securitization Bonds or the applicable Tranche and in addition thereto such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Indenture Trustee and its agents and external counsel.

(b) If an Event of Default (other than an Event of Default under Section 5.01(g)) occurs and is continuing, the Indenture Trustee shall, as more particularly provided in Section 5.04, proceed to protect and enforce its rights and the rights of the Holders, by such appropriate Proceedings as the Indenture Trustee, subject to Section 5.11, shall deem most effective to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy or legal or equitable right vested in the Indenture Trustee by this Indenture and the Series Supplement or by law, including foreclosing or otherwise enforcing the Lien of the Securitization Bond Collateral securing the Securitization Bonds or applying to a court of competent jurisdiction for sequestration of revenues arising with respect to the Securitization Property.

(c) If an Event of Default under Section 5.01(e) or Section 5.01(f) has occurred and is continuing, the Indenture Trustee, irrespective of whether the principal of any Securitization Bonds shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Indenture Trustee shall have made any demand pursuant to the provisions of this Section 5.03, shall be entitled and empowered, by intervention in any Proceedings related to such Event of Default or otherwise:

(i) to file and prove a claim or claims for the whole amount of principal, premium, if any, and interest owing and unpaid in respect of the Securitization Bonds and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Indenture Trustee (including any claim for reasonable compensation to the Indenture Trustee and each predecessor Indenture Trustee, and their respective agents, attorneys and counsel, and for reimbursement of all expenses and liabilities incurred, and all advances made, by the Indenture Trustee and each predecessor Indenture Trustee, except as a result of negligence or bad faith) and of the Holders allowed in such Proceedings;

(ii) unless prohibited by applicable law and regulations, to vote on behalf of the Holders in any election of a trustee in bankruptcy, a standby trustee or Person performing similar functions in any such Proceedings;

(iii) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute all amounts received with respect to the claims of the Holders and of the Indenture Trustee on their behalf; and

(iv) to file such proofs of claim and other papers and documents as may be necessary or advisable in order to have the claims of the Indenture Trustee or the Holders allowed in any judicial proceeding relative to the Issuer, its creditors and its property;

and any trustee, receiver, liquidator, custodian or other similar official in any such Proceeding is hereby authorized by each of such Holders to make payments to the Indenture Trustee, and, in the event that the Indenture Trustee shall consent to the making of payments directly to such Holders, to pay to the Indenture Trustee such amounts as shall be sufficient to cover reasonable compensation to the Indenture Trustee, each predecessor Indenture Trustee and their respective agents, attorneys and counsel, and all other expenses and liabilities incurred, and all advances made, by the Indenture Trustee and each predecessor Indenture Trustee except as a result of negligence or bad faith.

(d) Nothing herein contained shall be deemed to authorize the Indenture Trustee to authorize or consent to or vote for or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Securitization Bonds or the rights of any Holder thereof or to authorize the Indenture Trustee to vote in respect of the claim of any Holder in any such proceeding except, as aforesaid, to vote for the election of a trustee in bankruptcy or similar Person.

(e) All rights of action and of asserting claims under this Indenture, or under any of the Securitization Bonds, may be enforced by the Indenture Trustee without the possession of any of the Securitization Bonds or the production thereof in any trial or other Proceedings relative thereto, and any such action or proceedings instituted by the Indenture Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment, subject to the payment of the expenses, disbursements and compensation of the Indenture Trustee, each predecessor Indenture Trustee and their respective agents and attorneys, shall be for the ratable benefit of the Holders of the Securitization Bonds.

(f) In any Proceedings brought by the Indenture Trustee (and also any Proceedings involving the interpretation of any provision of this Indenture to which the Indenture Trustee shall be a party), the Indenture Trustee shall be held to represent all the Holders of the Securitization Bonds, and it shall not be necessary to make any Holder a party to any such Proceedings.

SECTION 5.04. Remedies; Priorities.

(a) If an Event of Default (other than an Event of Default under Section 5.01(g)) shall have occurred and be continuing, the Indenture Trustee may do one or more of the following (subject to Section 5.05):

(i) institute Proceedings in its own name and as trustee of an express trust for the collection of all amounts then payable on the Securitization Bonds or under this Indenture with respect thereto, whether by declaration of acceleration or otherwise, and, subject to the limitations on recovery set forth herein, enforce any judgment obtained, and collect from the Issuer or any other obligor moneys adjudged due, upon the Securitization Bonds;

(ii) institute Proceedings from time to time for the complete or partial foreclosure of this Indenture with respect to the Securitization Bond Collateral;

(iii) exercise any remedies of a secured party under the UCC, the Statute or any other applicable law and take any other appropriate action to protect and enforce the rights and remedies of the Indenture Trustee and the Holders of the Securitization Bonds;

(iv) at the written direction of the Holders of a majority of the Outstanding Amount of the Securitization Bonds, either sell the Securitization Bond Collateral or any portion thereof or rights or interest therein, at one or more public or private sales called and conducted in any manner permitted by law, or elect that the Issuer maintain possession of all or a portion of the Securitization Bond Collateral pursuant to Section 5.05 and continue to apply the Securitization Charge Collection as if there had been no declaration of acceleration; and

(v) exercise all rights, remedies, powers, privileges and claims of the Issuer against Consumers Energy, the Seller, the Administrator or the Servicer under or in connection with, and pursuant to the terms of, the Intercreditor Agreement, the Sale Agreement, the Administration Agreement or the Servicing Agreement;

provided, however, that the Indenture Trustee may not sell or otherwise liquidate any portion of the Securitization Bond Collateral following such an Event of Default, other than an Event of Default described in Section 5.01(a) or Section 5.01(b), unless (A) the Holders of 100 percent of the Outstanding Amount of the Securitization Bonds consent thereto, (B) the proceeds of such sale or liquidation distributable to the Holders are sufficient to discharge in full all amounts then due and unpaid upon the Securitization Bonds for principal, premium, if any, and interest after taking into account payment of all amounts due prior thereto pursuant to the priorities set forth in Section 8.02(e) or (C) the Indenture Trustee determines that the Securitization Bond Collateral will not continue to provide sufficient funds for all payments on the Securitization Bonds as they would have become due if the Securitization Bonds had not been declared due and payable, and the Indenture Trustee obtains the written consent of Holders of at least two-thirds of the Outstanding Amount of the Securitization Bonds. In determining such sufficiency or insufficiency with respect to clause (B) above and clause (C) above, the Indenture Trustee may, but need not, obtain and conclusively rely upon an opinion of an Independent investment banking or accounting firm of national reputation as to the feasibility of such proposed action and as to the sufficiency of the Securitization Bond Collateral for such purpose.

(b) If an Event of Default under Section 5.01(g) shall have occurred and be continuing, the Indenture Trustee, for the benefit of the Secured Parties, shall be entitled and empowered, to the extent permitted by applicable law, to institute or participate in Proceedings necessary to compel performance of or to enforce the State Pledge and to collect any monetary damages incurred by the Holders or the Indenture Trustee as a result of any such Event of Default, and may prosecute any such Proceeding to final judgment or decree. Such remedy shall be the only remedy that the Indenture Trustee may exercise if the only Event of Default that has occurred and is continuing is an Event of Default under Section 5.01(g).

(c) If the Indenture Trustee collects any money pursuant to this Article V, it shall pay out such money in accordance with the priorities set forth in Section 8.02(e).

SECTION 5.05. Optional Preservation of the Securitization Bond Collateral. If the Securitization Bonds have been declared to be due and payable under Section 5.02 following an Event of Default and such declaration and its consequences have not been rescinded and annulled, the Indenture Trustee may, but need not, elect to maintain possession of all or a portion of the Securitization Bond Collateral. It is the desire of the parties hereto and the Holders that there be at all times sufficient funds for the payment of principal of and premium, if any, and interest on the Securitization Bonds, and the Indenture Trustee shall take such desire into account when determining whether or not to maintain possession of the Securitization Bond Collateral. In determining whether to maintain possession of the Securitization Bond Collateral or sell or liquidate the same, the Indenture Trustee may, but need not, obtain and conclusively rely upon an opinion of an Independent investment banking or accounting firm of national reputation as to the feasibility of such proposed action and as to the sufficiency of the Securitization Bond Collateral for such purpose.

SECTION 5.06. Limitation of Suits. No Holder of any Securitization Bond shall have any right to institute any Proceeding, judicial or otherwise, to avail itself of any remedies provided in the Statute or to avail itself of the right to foreclose on the Securitization Bond Collateral or otherwise enforce the Lien and the security interest on the Securitization Bond Collateral with respect to this Indenture and the Series Supplement, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless:

(a) such Holder previously has given written notice to the Indenture Trustee of a continuing Event of Default;

(b) the Holders of a majority of the Outstanding Amount of the Securitization Bonds have made written request to the Indenture Trustee to institute such Proceeding in respect of such Event of Default in its own name as Indenture Trustee hereunder;

(c) such Holder or Holders have offered to the Indenture Trustee indemnity satisfactory to it against the costs, expenses and liabilities to be incurred in complying with such request;

(d) the Indenture Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute such Proceedings; and

(e) no direction inconsistent with such written request has been given to the Indenture Trustee during such 60-day period by the Holders of a majority of the Outstanding Amount of the Securitization Bonds;

it being understood and intended that no one or more Holders shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other Holders or to obtain or to seek to obtain priority or preference over any other Holders or to enforce any right under this Indenture, except in the manner herein provided.

In the event the Indenture Trustee shall receive conflicting or inconsistent requests and indemnity from two or more groups of Holders, each representing less than a majority of the Outstanding Amount of the Securitization Bonds, the Indenture Trustee in its sole discretion may file a petition with a court of competent jurisdiction to resolve such conflict or may otherwise determine what action, if any, shall be taken, notwithstanding any other provisions of this Indenture.

SECTION 5.07. Unconditional Rights of Holders To Receive Principal, Premium, if any, and Interest. Notwithstanding any other provisions in this Indenture, the Holder of any Securitization Bond shall have the right, which is absolute and unconditional, (a) to receive payment of (i) the interest, if any, on such Securitization Bond on the due dates thereof expressed in such Securitization Bond or in this Indenture or the Series Supplement or (ii) the unpaid principal, if any, of the Securitization Bonds on the Final Maturity Date therefor and (b) to institute suit for the enforcement of any such payment, and such right shall not be impaired without the consent of such Holder.

SECTION 5.08. Restoration of Rights and Remedies. If the Indenture Trustee or any Holder has instituted any Proceeding to enforce any right or remedy under this Indenture and such Proceeding has been discontinued or abandoned for any reason or has been determined adversely to the Indenture Trustee or to such Holder, then and in every such case the Issuer, the Indenture Trustee and the Holders shall, subject to any determination in such Proceeding, be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Indenture Trustee and the Holders shall continue as though no such Proceeding had been instituted.

SECTION 5.09. Rights and Remedies Cumulative. No right or remedy herein conferred upon or reserved to the Indenture Trustee or to the Holders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

SECTION 5.10. Delay or Omission Not a Waiver. No delay or omission of the Indenture Trustee or any Holder to exercise any right or remedy accruing upon any Default or Event of Default shall impair any such right or remedy or constitute a waiver of any such Default or Event of Default or an acquiescence therein. Every right and remedy given by this Article V or by law to the Indenture Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Indenture Trustee or by the Holders, as the case may be.

SECTION 5.11. Control by Holders. The Holders of a majority of the Outstanding Amount of the Securitization Bonds (or, if less than all Tranches are affected, the affected Tranche or Tranches) shall have the right to direct the time, method and place of conducting any Proceeding for any remedy available to the Indenture Trustee with respect to the Securitization Bonds of such Tranche or Tranches or exercising any trust or power conferred on the Indenture Trustee with respect to such Tranche or Tranches; provided, that:

(a) such direction shall not be in conflict with any rule of law or with this Indenture or the Series Supplement and shall not involve the Indenture Trustee in any personal liability or expense;

(b) subject to other conditions specified in Section 5.04, any direction to the Indenture Trustee to sell or liquidate any Securitization Bond Collateral shall be by the Holders representing 100 percent of the Outstanding Amount of the Securitization Bonds;

(c) if the conditions set forth in Section 5.05 have been satisfied and the Indenture Trustee elects to retain the Securitization Bond Collateral pursuant to Section 5.05, then any direction to the Indenture Trustee by Holders representing less than 100 percent of the Outstanding Amount of the Securitization Bonds to sell or liquidate the Securitization Bond Collateral shall be of no force and effect; and

(d) the Indenture Trustee may take any other action deemed proper by the Indenture Trustee that is not inconsistent with such direction;

provided, however, that the Indenture Trustee's duties shall be subject to Section 6.01, and the Indenture Trustee need not take any action that it determines might involve it in liability or might materially adversely affect the rights of any Holders not consenting to such action. Furthermore and without limiting the foregoing, the Indenture Trustee shall not be required to take any action for which it reasonably believes that it will not be indemnified to its satisfaction against any cost, expense or liabilities. In circumstances under which the Indenture Trustee is required to seek instructions from the Holders of any Tranche with respect to any action or vote, the Indenture Trustee shall take the action or vote for or against any proposal in proportion to the principal amount of the corresponding Tranche, as applicable, of Securitization Bonds taking the corresponding position.

SECTION 5.12. Waiver of Past Defaults. Prior to the declaration of the acceleration of the maturity of the Securitization Bonds as provided in Section 5.02, the Holders representing a majority of the Outstanding Amount of the Securitization Bonds of an affected Tranche may waive any past Default or Event of Default and its consequences except a Default (a) in payment of principal of or premium, if any, or interest on any of the Securitization Bonds or (b) in respect of a covenant or provision hereof that cannot be modified or amended without the consent of the Holder of each Securitization Bond of all Tranches affected. In the case of any such waiver, the Issuer, the Indenture Trustee and the Holders shall be restored to their former positions and rights hereunder, respectively, but no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereto.

Upon any such waiver, such Default shall cease to exist and be deemed to have been cured and not to have occurred, and any Event of Default arising therefrom shall be deemed to have been cured and not to have occurred, for every purpose of this Indenture, but no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereto.

SECTION 5.13. Undertaking for Costs. All parties to this Indenture agree, and each Holder of any Securitization Bond by such Holder's acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Indenture Trustee for any action taken, suffered or omitted by it as Indenture Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section 5.13 shall not apply to (a) any suit instituted by the Indenture Trustee, (b) any suit instituted by any Holder, or group of Holders, in each case holding in the aggregate more than ten percent of the Outstanding Amount of the Securitization Bonds or (c) any suit instituted by any Holder for the enforcement of the payment of (i) interest on any Securitization Bond on or after the due dates expressed in such Securitization Bond and in this Indenture and the Series Supplement or (ii) the unpaid principal, if any, of any Securitization Bond on or after the Final Maturity Date therefor.

SECTION 5.14. Waiver of Stay or Extension Laws. The Issuer covenants (to the extent that it may lawfully do so) that it will not at any time insist upon or plead or, in any manner whatsoever, claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of this Indenture; and the Issuer (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Indenture Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

SECTION 5.15. Action on Securitization Bonds. The Indenture Trustee's right to seek and recover judgment on the Securitization Bonds or under this Indenture shall not be affected by the seeking, obtaining or application of any other relief under or with respect to this Indenture. Neither the Lien of this Indenture nor any rights or remedies of the Indenture Trustee or the Holders shall be impaired by the recovery of any judgment by the Indenture Trustee against the Issuer or by the levy of any execution under such judgment upon any portion of the Securitization Bond Collateral or any other assets of the Issuer.

ARTICLE VI

THE INDENTURE TRUSTEE

SECTION 6.01. Duties of Indenture Trustee.

(a) If an Event of Default has occurred and is continuing, the Indenture Trustee shall exercise the rights and powers vested in it by this Indenture and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) Except during the continuance of an Event of Default:

(i) the Indenture Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Indenture Trustee; and

(ii) in the absence of bad faith on its part, the Indenture Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Indenture Trustee and conforming to the requirements of this Indenture, but, in the case of any such certificates or opinions that by any provision hereof are specifically required to be furnished to the Indenture Trustee, the Indenture Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture (but need not confirm or investigate the accuracy of mathematical calculations or other facts stated therein).

(c) The Indenture Trustee may not be relieved from liability for its own negligent action, its own bad faith, its own negligent failure to act or its own willful misconduct, except that:

(i) this Section 6.01(c) does not limit the effect of Section 6.01(b);

(ii) the Indenture Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer of the Indenture Trustee unless it is proved that the Indenture Trustee was negligent in ascertaining the pertinent facts; and

(iii) the Indenture Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it hereunder.

(d) Every provision of this Indenture that in any way relates to the Indenture Trustee is subject to Section 6.01(a), Section 6.01(b) and Section 6.01(c).

(e) The Indenture Trustee shall not be liable for interest on any money received by it except as the Indenture Trustee may agree in writing with the Issuer.

(f) Money held in trust by the Indenture Trustee need not be segregated from other funds held by the Indenture Trustee except to the extent required by law or the terms of this Indenture, the Sale Agreement, the Servicing Agreement, the Administration Agreement or the Intercreditor Agreement.

(g) No provision of this Indenture shall require the Indenture Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, if it shall have reasonable grounds to believe that repayments of such funds or indemnity satisfactory to it against such risk or liability is not reasonably assured to it.

(h) Every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Indenture Trustee shall be subject to the provisions of this Section 6.01 and to the provisions of the Trust Indenture Act.

(i) In the event that the Indenture Trustee is also acting as Paying Agent or Securitization Bond Registrar hereunder, the protections of this Article VI shall also be afforded to the Indenture Trustee in its capacity as Paying Agent or Securitization Bond Registrar.

(j) Except for the express duties of the Indenture Trustee with respect to the administrative functions set forth in the Basic Documents, the Indenture Trustee shall have no obligation to administer, service or collect Securitization Property or to maintain, monitor or otherwise supervise the administration, servicing or collection of the Securitization Property.

(k) Under no circumstance shall the Indenture Trustee be liable for any indebtedness of the Issuer, the Servicer or the Seller evidenced by or arising under the Securitization Bonds or the Basic Documents. None of the provisions of this Indenture shall in any event require the Indenture Trustee to perform or be responsible for the performance of any of the Servicer's obligations under the Basic Documents.

(l) Commencing with March 15, 2024, on or before March 15th of each fiscal year ending December 31, so long as the Issuer is required to file Exchange Act reports, the Indenture Trustee shall (i) deliver to the Issuer a report (in form and substance reasonably satisfactory to the Issuer and addressed to the Issuer and signed by an authorized officer of the Indenture Trustee) regarding the Indenture Trustee's assessment of compliance, during the preceding fiscal year ended December 31, with each of the applicable servicing criteria specified on Exhibit C as required under Rule 13a-18 and Rule 15d-18 under the Exchange Act and Item 1122 of Regulation AB and (ii) deliver to the Issuer a report of an Independent registered public accounting firm reasonably acceptable to the Issuer that attests to and reports on, in accordance with Rule 1-02(a)(3) and Rule 2-02(g) of Regulation S-X under the Securities Act and the Exchange Act, the assessment of compliance made by the Indenture Trustee and delivered pursuant to Section 6.01(l)(i).

(m) The Indenture Trustee shall not be required to take any action that it is directed to take under this Indenture if it determines in good faith that the action so directed is inconsistent with this Indenture, any other Basic Document or applicable law or would involve the Indenture Trustee in personal liability.

(n) Any discretion, permissive right or privilege of the Indenture Trustee hereunder shall not be deemed to be or otherwise construed as a duty or obligation.

(o) The Indenture Trustee's receipt of publicly available reports hereunder shall not constitute constructive or actual notice or knowledge of any information contained therein or determinable therefrom, including a party's compliance with covenants under this Indenture.

SECTION 6.02. Rights of Indenture Trustee.

(a) The Indenture Trustee may conclusively rely and shall be fully protected in relying on any document (including electronic documents and communications delivered in accordance with the terms of this Indenture) believed by it to be genuine and to have been signed or presented by the proper person. The Indenture Trustee need not investigate any fact or matter stated in such document.

(b) Before the Indenture Trustee acts or refrains from acting, it may require and shall be entitled to receive an Officer's Certificate or an Opinion of Counsel of external counsel of the Issuer (at no cost or expense to the Indenture Trustee) that such action is required or permitted hereunder. The Indenture Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on such Officer's Certificate or Opinion of Counsel.

(c) The Indenture Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys or a custodian or nominee, and the Indenture Trustee shall not be responsible for any misconduct or negligence on the part of, or for the supervision of, any such agent, attorney, custodian or nominee appointed with due care by it hereunder. The Indenture Trustee shall give prompt written notice to the Issuer, in which case the Issuer shall then give prompt written notice to the Rating Agencies, of the appointment of any such agent, custodian or nominee to whom it delegates any of its express duties under this Indenture; provided, that the Indenture Trustee shall not be obligated to give such notice (i) if the Issuer or the Holders have directed the Indenture Trustee to appoint such agent, custodian or nominee (in which event the Issuer shall give prompt notice to the Rating Agencies of any such direction) or (ii) of the appointment of any agents, custodians or nominees made at any time that an Event of Default on account of non-payment of principal or interest on the Securitization Bonds or bankruptcy or insolvency of the Issuer has occurred and is continuing.

(d) The Indenture Trustee shall not be liable for any action it takes or omits to take in good faith that it believes to be authorized or within its rights or powers; provided, however, that the Indenture Trustee's conduct does not constitute willful misconduct, negligence or bad faith.

(e) The Indenture Trustee may consult with counsel, accountants and other experts, and the advice or opinion of counsel with respect to legal matters and such accountants or other experts with respect to other matters relating to this Indenture and the Securitization Bonds shall be full and complete authorization and protection from liability in respect to any action taken, omitted or suffered by it hereunder in good faith and in accordance with the advice or opinion of such counsel, accountants and other experts.

(f) The Indenture Trustee shall be under no obligation to (i) take any action or exercise any of the rights or powers vested in it by this Indenture or any other Basic Document at the request or direction of any of the Holders pursuant to this Indenture or (ii) institute, conduct or defend any litigation hereunder or thereunder or in relation hereto or thereto or investigate any matter, at the request, order or direction of any of the Holders pursuant to the provisions of this Indenture and the Series Supplement or otherwise, unless it shall have grounds to believe in its discretion and to its satisfaction that security or indemnity against the costs, expenses and liabilities that may be incurred therein or thereby is assured to it.

(g) The Indenture Trustee may conclusively rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(h) Any request or direction of the Issuer mentioned herein shall be sufficiently evidenced by an Issuer Request or an Issuer Order.

(i) Whenever in the administration of this Indenture the Indenture Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Indenture Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, conclusively rely upon an Officer's Certificate.

(j) The Indenture Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document.

(k) In no event shall the Indenture Trustee be responsible or liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including loss of profit) irrespective of whether the Indenture Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

(l) In no event shall the Indenture Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including strikes, work stoppages, acts of war or terrorism, epidemics, pandemics, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer systems services, it being understood that the Indenture Trustee shall use reasonable efforts that are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

(m) Beyond the exercise of reasonable care in the custody thereof, the Indenture Trustee will have no duty as to any Securitization Bond Collateral in its possession or control or in the possession or control of any agent or bailee, or any income thereon, or as to preservation of rights against prior parties of any other rights pertaining thereto. The Indenture Trustee will be deemed to have exercised reasonable care in the custody of the Securitization Bond Collateral in its possession if the Securitization Bond Collateral is accorded treatment substantially equal to that accorded to its own property, and the Indenture Trustee will not be liable or responsible for any loss or diminution in the value of any of the Securitization Bond Collateral by reason of the act or omission of any carrier, forwarding agency or other agent or bailee selected by the Indenture Trustee in good faith.

(n) The Indenture Trustee will not be responsible for the existence, genuineness or value of any of the Securitization Bond Collateral or for the validity, sufficiency, perfection, priority or enforceability of the Liens in any of the Securitization Bond Collateral, except to the extent such action or omission constitutes negligence or willful misconduct on the part of the Indenture Trustee. The Indenture Trustee shall not be responsible for the validity of the title of any grantor to the collateral, for insuring the Securitization Bond Collateral or for the payment of taxes, charges, assessments or Liens upon the Securitization Bond Collateral or otherwise as to the maintenance of the Securitization Bond Collateral.

(o) In the event that the Indenture Trustee is required to acquire title to an asset for any reason, or take any managerial action of any kind in regard thereto, in order to carry out any fiduciary or trust obligation for the benefit of another, which in the Indenture Trustee's sole discretion may cause the Indenture Trustee to be considered an "owner or operator" under any environmental laws or otherwise cause the Indenture Trustee to incur, or be exposed to, any environmental liability or any liability under any other U.S. federal, State or local law, the Indenture Trustee reserves the right, instead of taking such action, either to resign as Indenture Trustee or to arrange for the transfer of the title or control of the asset to a court-appointed receiver. The Indenture Trustee will not be liable to any Person for any environmental claims or any environmental liabilities or contribution actions under any U.S. federal, State or local law, rule or regulation by reason of the Indenture Trustee's actions and conduct as authorized, empowered and directed hereunder or relating to any kind of discharge or release or threatened discharge or release of any hazardous materials into the environment.

(p) The Indenture Trustee shall not be deemed to have notice of any Default or Event of Default unless written notice of any event which is in fact such a default is received by a Responsible Officer of the Indenture Trustee at the Corporate Trust Office of the Indenture Trustee, and such notice references the Securitization Bonds, the Series Supplement and this Indenture.

(q) The rights, privileges, protections, immunities and benefits given to the Indenture Trustee, including its right to be indemnified, are extended to, and shall be enforceable by, the Indenture Trustee in each of its capacities hereunder and each agent, custodian and other Person employed to act hereunder.

SECTION 6.03. Individual Rights of Indenture Trustee. The Indenture Trustee in its individual or any other capacity may become the owner or pledgee of Securitization Bonds and may otherwise deal with the Issuer or its Affiliates with the same rights it would have if it were not Indenture Trustee. Any Paying Agent, Securitization Bond Registrar, co-registrar or co-paying agent or agent appointed under Section 3.02 may do the same with like rights. However, the Indenture Trustee must comply with Section 6.11 and Section 6.12.

SECTION 6.04. Indenture Trustee's Disclaimer.

(a) The Indenture Trustee shall not be responsible for and makes no representation (other than as set forth in Section 6.13) as to the validity or adequacy of this Indenture or the Securitization Bonds, it shall not be accountable for the Issuer's use of the proceeds from the Securitization Bonds, and it shall not be responsible for any statement of the Issuer in this Indenture or in any document issued in connection with the sale of the Securitization Bonds or in the Securitization Bonds other than the Indenture Trustee's certificate of authentication. The Indenture Trustee shall not be responsible for the form, character, genuineness, sufficiency, value or validity of any of the Securitization Bond Collateral, or for or in respect of the Securitization Bonds (other than the certificate of authentication for the Securitization Bonds) or the Basic Documents, the filing of any financing statements, the recording of any documents or otherwise perfecting the security interest in the Securitization Bond Collateral, and the Indenture Trustee shall in no event assume or incur any liability, duty or obligation to any Holder, other than as expressly provided in this Indenture. The Indenture Trustee shall not be liable for the default or misconduct of the Issuer, the Seller or the Servicer under the Basic Documents or otherwise, and the Indenture Trustee shall have no obligation or liability to perform the obligations of such Persons.

(b) The Indenture Trustee shall not be responsible for (i) the validity of the title of the Issuer to the Securitization Bond Collateral, (ii) insuring the Securitization Bond Collateral or (iii) the payment of taxes, charges, assessments or Liens upon the Securitization Bond Collateral or otherwise as to the maintenance of the Securitization Bond Collateral. The Indenture Trustee shall have no duty to ascertain or inquire as to the performance or observance of any of the terms of this Indenture or any of the other Basic Documents. The Indenture Trustee shall not be responsible for filing any financing or continuation statements or recording any documents or instruments in any public office at any time or times or otherwise perfecting or maintaining the perfection of any security interest in the Securitization Bond Collateral.

SECTION 6.05. Notice of Defaults. If a Default occurs and is continuing and if it is actually known to a Responsible Officer of the Indenture Trustee or the Indenture Trustee has received written notice thereof, the Indenture Trustee shall deliver to each Rating Agency and each Holder notice of the Default within ten Business Days after such Default was actually known to or written notice thereof was received by a Responsible Officer of the Indenture Trustee (provided that the Indenture Trustee shall give the Rating Agencies prompt notice of any payment default in respect of the Securitization Bonds). Except in the case of a Default in payment of principal of and premium, if any, or interest on any Securitization Bond, the Indenture Trustee may withhold the notice of the Default if a Responsible Officer of the Indenture Trustee in good faith determines that withholding such notice is in the interests of Holders. Except as provided in the first sentence of this Section 6.05, in no event shall the Indenture Trustee be deemed to have knowledge of a Default.

SECTION 6.06. Reports by Indenture Trustee to Holders.

(a) So long as Securitization Bonds are Outstanding and the Indenture Trustee is the Securitization Bond Registrar and Paying Agent, upon the written request of any Holder or the Issuer, within the prescribed period of time for tax reporting purposes after the end of each calendar year, the Indenture Trustee shall deliver to each relevant current or former Holder such information in its possession as may be required to enable such Holder to prepare its U.S. federal income and any applicable local or State tax returns. If the Securitization Bond Registrar and Paying Agent is other than the Indenture Trustee, such Securitization Bond Registrar and Paying Agent, within the prescribed period of time for tax reporting purposes after the end of each calendar year, shall deliver to each relevant current or former Holder such information in its possession as may be required to enable such Holder to prepare its U.S. federal income and any applicable local or State tax returns.

(b) On or prior to each Payment Date or Special Payment Date therefor, the Indenture Trustee will deliver to each Holder of the Securitization Bonds on such Payment Date or Special Payment Date a statement as provided and prepared by the Servicer, which will include (to the extent applicable) the following information (and any other information so specified in the Series Supplement) as to the Securitization Bonds with respect to such Payment Date or Special Payment Date or the period since the previous Payment Date, as applicable:

(i) the amount of the payment to Holders allocable to principal, if any;

(ii) the amount of the payment to Holders allocable to interest;

(iii) the aggregate Outstanding Amount of the Securitization Bonds, before and after giving effect to any payments allocated to principal reported under Section 6.06(b)(i);

(iv) the difference, if any, between the amount specified in Section 6.06(b)(iii) and the Outstanding Amount specified in the related Expected Amortization Schedule;

(v) any other transfers and payments to be made on such Payment Date or Special Payment Date, including amounts paid to the Indenture Trustee and to the Servicer; and

(vi) the amounts on deposit in the Capital Subaccount and the Excess Funds Subaccount, after giving effect to the foregoing payments.

(c) The Issuer shall send a copy of each of the Certificate of Compliance delivered to it pursuant to Section 3.03 of the Servicing Agreement and the Annual Accountant's Report delivered to it pursuant to Section 3.04 of the Servicing Agreement to the Rating Agencies, to the Indenture Trustee and to the Servicer for posting on the 17g-5 Website in accordance with Rule 17g-5 under the Exchange Act. A copy of such certificate and report may be obtained by any Holder by a request in writing to the Indenture Trustee.

(d) The Indenture Trustee may consult with counsel, and the advice or opinion of such counsel with respect to legal matters relating to this Indenture and the Securitization Bonds shall be full and complete authorization and protection from liability with respect to any action taken, omitted or suffered by it hereunder in good faith and in accordance with the advice or opinion of such counsel.

SECTION 6.07. Compensation and Indemnity. The Issuer shall pay to the Indenture Trustee from time to time reasonable compensation for its services. The Indenture Trustee's compensation shall not, to the extent permitted by law, be limited by any law on compensation of a trustee of an express trust. The Issuer shall reimburse the Indenture Trustee for all reasonable out-of-pocket expenses, disbursements and advances incurred or made by it, including costs of collection, in addition to the compensation for its services. Such expenses shall include the reasonable compensation and expenses, disbursements and advances of the Indenture Trustee's agents, counsel, accountants and experts. The Issuer shall indemnify and hold harmless the Indenture Trustee and its officers, directors, employees and agents (each, an "Indemnitee") against any and all cost, damage, loss, liability, tax or expense (including reasonable attorneys' fees and expenses, the fees of experts and agents and any reasonable extraordinary out-of-pocket expenses) incurred by it in connection with the administration and the enforcement of this Indenture, the Series Supplement and the other Basic Documents, including the costs and expenses of defending themselves against any claim of liability in connection with the exercise of the Indenture Trustee's rights, powers and obligations under this Indenture, the Series Supplement and the other Basic Documents and the performance of its duties hereunder and thereunder and the costs of defending or bringing any claim to enforce the Issuer's indemnification obligations hereunder, other than any such tax on the compensation of the Indenture Trustee for its services as Indenture Trustee. The Issuer shall not be required to indemnify an Indemnitee for any amount paid or payable by such Indemnitee in the settlement of any action, proceeding or investigation without the prior written consent of the Issuer, which consent shall not be unreasonably withheld. Promptly after receipt by an Indemnitee of notice of the commencement of any action, proceeding or investigation, such Indemnitee shall, if a claim in respect thereof is to be made against the Issuer under this Section 6.07, notify the Issuer in writing of the commencement thereof. Failure by an Indemnitee to so notify the Issuer shall not relieve the Issuer from the obligation to indemnify and hold harmless such Indemnitee under this Section 6.07. With respect to any action, proceeding or investigation brought by a third party for which indemnification may be sought under this Section 6.07, the Issuer shall be entitled to conduct and control, at its expense and with counsel of its choosing that is reasonably satisfactory to such Indemnitee, the defense of any such action, proceeding or investigation (in which case the Issuer shall not thereafter be responsible for the fees and expenses of any separate counsel retained by such Indemnitee except as set forth below); provided, that such Indemnitee shall have the right to participate in such action, proceeding or investigation through counsel chosen by it and at its own expense. Notwithstanding the Issuer's election to assume the defense of any action, proceeding or investigation, such Indemnitee shall have the right to employ separate counsel (including one appropriate local counsel), and the Issuer shall bear the reasonable fees, costs and expenses of such separate counsel, if (a) the defendants in any such action include both the Indemnitee and the Issuer, and the Indemnitee shall have reasonably concluded that there may be legal defenses available to it that are different from or additional to those available to the Issuer, (b) the Issuer shall not have employed counsel reasonably satisfactory to the Indemnitee to represent the Indemnitee within a reasonable time after notice of the institution of such action or (c) the Issuer shall authorize the Indemnitee to employ separate counsel at the expense of the Issuer. Notwithstanding the foregoing, the Issuer shall not be obligated to pay for the fees, costs and expenses of more than one separate counsel for the Indemnitee other than one appropriate local counsel. The Issuer need not reimburse any expense or indemnify against any loss, liability or expense incurred by the Indenture Trustee through the Indemnitee's own willful misconduct, negligence or bad faith. The rights of the Indenture Trustee set forth in this Section 6.07 are subject to and limited by the priority of payments set forth in Section 8.02(e).

The payment obligations to the Indenture Trustee pursuant to this Section 6.07 shall survive the discharge of this Indenture and the Series Supplement or the earlier resignation or removal of the Indenture Trustee. When the Indenture Trustee incurs expenses after the occurrence of a Default specified in Section 5.01(e) or Section 5.01(f) with respect to the Issuer, the expenses are intended to constitute expenses of administration under the Bankruptcy Code or any other applicable U.S. federal or State bankruptcy, insolvency or similar law.

SECTION 6.08. Replacement of Indenture Trustee, Securities Intermediary and Account Bank.

(a) The Indenture Trustee (or any other Eligible Institution in any capacity under this Indenture, unless such Eligible Institution is being replaced by the Indenture Trustee) may resign at any time upon 30 days' prior written notice to the Issuer subject to Section 6.08(c). The Holders of a majority of the Outstanding Amount of the Securitization Bonds may remove the Indenture Trustee (or any other Eligible Institution in any capacity under this Indenture) with 30 days' prior written notice by so notifying the Indenture Trustee (or any such other Eligible Institution) and may appoint a successor Indenture Trustee (or successor Eligible Institution in the applicable capacity). The Issuer shall remove the Indenture Trustee if:

(i) the Indenture Trustee fails to comply with Section 6.11;

(ii) the Indenture Trustee is adjudged a bankrupt or insolvent;

(iii) a receiver or other public officer takes charge of the Indenture Trustee or its property;

(iv) the Indenture Trustee otherwise becomes incapable of acting; or

(v) the Indenture Trustee fails to provide to the Issuer any information reasonably requested by the Issuer pertaining to the Indenture Trustee and necessary for the Issuer or the Sponsor to comply with its respective reporting obligations under the Exchange Act and Regulation AB and such failure is not resolved to the Issuer's and the Indenture Trustee's mutual satisfaction within a reasonable period of time.

Any removal or resignation of the Indenture Trustee shall also constitute a removal or resignation of the Securities Intermediary and the Account Bank. The Issuer shall remove any Person (other than the Indenture Trustee) acting in any capacity under this Indenture that fails to constitute an Eligible Institution with 30 days' prior notice.

(b) If the Indenture Trustee gives notice of resignation or is removed or if a vacancy exists in the office of Indenture Trustee for any reason (the Indenture Trustee in such event being referred to herein as the retiring Indenture Trustee), the Issuer shall promptly appoint a successor Indenture Trustee, Securities Intermediary and Account Bank. If any Person (other than the Indenture Trustee) acting in any capacity under this Indenture as an Eligible Institution is removed or fails to constitute an Eligible Institution whereby a vacancy exists in such capacity, or if a vacancy exists in any such capacity for any other reason, the Issuer shall promptly appoint a successor to such capacity that constitutes an Eligible Institution.

(c) A successor Indenture Trustee (or any other successor Eligible Institution) shall deliver a written acceptance of its appointment as the Indenture Trustee, as the Securities Intermediary and as the Account Bank to the retiring Indenture Trustee and to the Issuer. Thereupon the resignation or removal of the retiring Indenture Trustee shall become effective, and the successor Indenture Trustee (or such other Eligible Institution) shall have all the rights, powers and duties of the Indenture Trustee (or such other Eligible Institution), Securities Intermediary and Account Bank, as applicable, under this Indenture and the other Basic Documents. No resignation or removal of the Indenture Trustee (or any other Person acting as an Eligible Institution) pursuant to this Section 6.08 shall become effective until acceptance of the appointment by a successor Indenture Trustee having the qualifications set forth in Section 6.11 (or acceptance of the appointment by such other successor Eligible Institution). Notice of any such appointment shall be promptly given to each Rating Agency by the successor Indenture Trustee. The successor Indenture Trustee shall mail a notice of its succession (or the succession of any other Eligible Institution) to Holders. The retiring Indenture Trustee shall promptly transfer all property held by it as Indenture Trustee to the successor Indenture Trustee. The retiring Eligible Institution shall promptly transfer all property held by it in its capacity hereunder to the successor Eligible Institution.

(d) If a successor Indenture Trustee (or other successor Eligible Institution) does not take office within 60 days after the retiring Indenture Trustee (or other retiring Eligible Institution) resigns or is removed, the retiring Indenture Trustee (or other retiring Eligible Institution), the Issuer or the Holders of a majority in Outstanding Amount of the Securitization Bonds may petition any court of competent jurisdiction for the appointment of a successor Indenture Trustee (or other successor Eligible Institution).

(e) If the Indenture Trustee fails to comply with Section 6.11, any Holder may petition any court of competent jurisdiction for the removal of the Indenture Trustee and the appointment of a successor Indenture Trustee.

(f) Notwithstanding the replacement of the Indenture Trustee pursuant to this Section 6.08, the Issuer's obligations under Section 6.07 shall continue for the benefit of the retiring Indenture Trustee.

SECTION 6.09. Successor Indenture Trustee by Merger. If the Indenture Trustee consolidates with, merges or converts into, or transfers all or substantially all its corporate trust business or assets to, another corporation or banking association, the resulting, surviving or transferee corporation or banking association without any further act shall be the successor Indenture Trustee; provided, however, that, if such successor Indenture Trustee is not eligible under Section 6.11, then the successor Indenture Trustee shall be replaced in accordance with Section 6.08. Notice of any such event shall be promptly given to each Rating Agency by the successor Indenture Trustee.

In case at the time such successor or successors by merger, conversion, consolidation or transfer shall succeed to the trusts created by this Indenture any of the Securitization Bonds shall have been authenticated but not delivered, any such successor to the Indenture Trustee may adopt the certificate of authentication of any predecessor trustee and deliver the Securitization Bonds so authenticated; and, in case at that time any of the Securitization Bonds shall not have been authenticated, any successor to the Indenture Trustee may authenticate the Securitization Bonds either in the name of any predecessor hereunder or in the name of the successor to the Indenture Trustee; and in all such cases such certificates shall have the full force that it is anywhere in the Securitization Bonds or in this Indenture provided that the certificate of the Indenture Trustee shall have.

SECTION 6.10. Appointment of Co-Trustee or Separate Trustee.

(a) Notwithstanding any other provisions of this Indenture, at any time, for the purpose of meeting any legal requirement of any jurisdiction in which any part of the trust created by this Indenture or the Securitization Bond Collateral may at the time be located, the Indenture Trustee shall have the power and may execute and deliver all instruments to appoint one or more Persons to act as a co-trustee or co-trustees, or separate trustee or separate trustees, of all or any part of the trust created by this Indenture or the Securitization Bond Collateral, and to vest in such Person or Persons, in such capacity and for the benefit of the Secured Parties, such title to the Securitization Bond Collateral, or any part hereof, and, subject to the other provisions of this Section 6.10, such powers, duties, obligations, rights and trusts as the Indenture Trustee may consider necessary or desirable. No co-trustee or separate trustee hereunder shall be required to meet the terms of eligibility as a successor trustee under Section 6.11 and no notice to Holders of the appointment of any co-trustee or separate trustee shall be required under Section 6.08. Notice of any such appointment shall be promptly given to each Rating Agency by the Indenture Trustee.

(b) Every separate trustee and co-trustee shall, to the extent permitted by law, be appointed and act subject to the following provisions and conditions:

(i) all rights, powers, duties and obligations conferred or imposed upon the Indenture Trustee shall be conferred or imposed upon and exercised or performed by the Indenture Trustee and such separate trustee or co-trustee jointly (it being understood that such separate trustee or co-trustee is not authorized to act separately without the Indenture Trustee joining in such act), except to the extent that under any law of any jurisdiction in which any particular act or acts are to be performed the Indenture Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations (including the holding of title to the Securitization Bond Collateral or any portion thereof in any such jurisdiction) shall be exercised and performed singly by such separate trustee or co-trustee, but solely at the direction of the Indenture Trustee;

(ii) no trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder; and

(iii) the Indenture Trustee may at any time accept the resignation of or remove any separate trustee or co-trustee.

(c) Any notice, request or other writing given to the Indenture Trustee shall be deemed to have been given to each of the then-separate trustees and co-trustees, as effectively as if given to each of them. Every instrument appointing any separate trustee or co-trustee shall refer to this Indenture and the conditions of this Article VI. Each separate trustee and co-trustee, upon its acceptance of the trusts conferred, shall be vested with the estates or property specified in its instrument of appointment, either jointly with the Indenture Trustee or separately, as may be provided therein, subject to all the provisions of this Indenture, specifically including every provision of this Indenture relating to the conduct of, affecting the liability of, or affording protection to, the Indenture Trustee. Every such instrument shall be filed with the Indenture Trustee.

(d) Any separate trustee or co-trustee may at any time constitute the Indenture Trustee, its agent or its attorney-in-fact with full power and authority, to the extent not prohibited by law, to do any lawful act under or in respect of this Indenture on its behalf and in its name. If any separate trustee or co-trustee shall die, become incapable of acting, resign or be removed, all of its estates, properties, rights, remedies and trusts shall vest in and be exercised by the Indenture Trustee, to the extent permitted by law, without the appointment of a new or successor trustee.

SECTION 6.11. Eligibility; Disqualification. The Indenture Trustee shall at all times satisfy the requirements of Section 310(a)(1) of the Trust Indenture Act, Section 310(a)(5) of the Trust Indenture Act and Section 26(a)(1) of the Investment Company Act. The Indenture Trustee shall have a combined capital and surplus of at least $50,000,000 as set forth in its most recent published annual report of condition and shall have a long-term debt rating from Moody's in one of its generic rating categories that signifies investment grade and a long-term debt rating from S&P of at least "A". The Indenture Trustee shall comply with Section 310(b) of the Trust Indenture Act, including the optional provision permitted by the second sentence of Section 310(b)(9) of the Trust Indenture Act; provided, however, that there shall be excluded from the operation of Section 310(b)(1) of the Trust Indenture Act any indenture or indentures under which other securities of the Issuer are outstanding if the requirements for such exclusion set forth in Section 310(b)(1) of the Trust Indenture Act are met.

SECTION 6.12. Preferential Collection of Claims Against Issuer. The Indenture Trustee shall comply with Section 311(a) of the Trust Indenture Act, excluding any creditor relationship listed in Section 311(b) of the Trust Indenture Act. An Indenture Trustee who has resigned or been removed shall be subject to Section 311(a) of the Trust Indenture Act to the extent indicated therein.

SECTION 6.13. Representations and Warranties of Indenture Trustee. The Indenture Trustee hereby represents and warrants that:

(a) the Indenture Trustee is a banking corporation validly existing and in good standing under the laws of the State of New York;

(b) the Indenture Trustee has full power, authority and legal right to execute, deliver and perform its obligations under this Indenture and the other Basic Documents to which the Indenture Trustee is a party and has taken all necessary action to authorize the execution, delivery and performance of obligations by it of this Indenture and such other Basic Documents; and

(c) no authorization, consent or other order of any State of New York or federal Governmental Authority having jurisdiction in the matter is required to be obtained by the Indenture Trustee for the valid authorization, execution and delivery by the Indenture Trustee of, or the performance of its obligations under, each of the Basic Documents or for the authentication and delivery of the Securitization Bonds.

SECTION 6.14. Annual Report by Independent Registered Public Accountants. In the event that the firm of Independent registered public accountants requires the Indenture Trustee to agree or consent to the procedures performed by such firm pursuant to Section 3.04(a) of the Servicing Agreement, the Indenture Trustee shall deliver such letter of agreement or consent in conclusive reliance upon the direction of the Issuer in accordance with Section 3.04(a) of the Servicing Agreement. In the event that such firm requires the Indenture Trustee to agree to the procedures performed by such firm, the Issuer shall direct the Indenture Trustee in writing to so agree, it being understood and agreed that the Indenture Trustee will deliver such letter of agreement in conclusive reliance upon the direction of the Issuer, and the Indenture Trustee makes no independent inquiry or investigation into, and shall have no obligation or liability in respect of, the sufficiency, validity or correctness of such procedures.

SECTION 6.15. Custody of Securitization Bond Collateral. The Indenture Trustee shall hold such of the Securitization Bond Collateral (and any other collateral that may be granted to the Indenture Trustee) as consists of instruments, deposit accounts, negotiable documents, money, goods, letters of credit and advices of credit in the State of New York. The Indenture Trustee shall hold such of the Securitization Bond Collateral as constitute investment property through the Securities Intermediary (which, as of the date hereof, is The Bank of New York Mellon). The initial Securities Intermediary hereby agrees (and each future Securities Intermediary shall agree) with the Indenture Trustee that (a) such investment property shall at all times be credited to a securities account of the Indenture Trustee, (b) the Securities Intermediary shall treat the Indenture Trustee as entitled to exercise the rights that comprise each financial asset credited to such securities account, (c) all property credited to such securities account shall be treated as a financial asset, (d) the Securities Intermediary shall comply with entitlement orders originated by the Indenture Trustee without the further consent of any other Person, (e) the Securities Intermediary will not agree with any Person other than the Indenture Trustee to comply with entitlement orders originated by such other Person, (f) such securities accounts and the property credited thereto shall not be subject to any Lien or right of set-off in favor of the Securities Intermediary or anyone claiming through it (other than the Indenture Trustee) and (g) such agreement shall be governed by the internal laws of the State of New York. The Indenture Trustee shall hold any Securitization Bond Collateral consisting of money in a deposit account and shall act as "bank" for purposes of perfecting the security interest in such deposit account. Terms used in the two preceding sentences that are defined in the UCC and not otherwise defined herein shall have the meaning set forth in the UCC. Except as permitted by this Section 6.15 or elsewhere in this Indenture, the Indenture Trustee shall not hold Securitization Bond Collateral through an agent or a nominee.

SECTION 6.16. FATCA. The Issuer agrees (a) to provide the Indenture Trustee with such reasonable information as the Issuer has in its possession to enable the Indenture Trustee to determine whether any payments pursuant to this Indenture are subject to the withholding requirements described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code and any regulations or agreements thereunder or official interpretations thereof and (b) that the Indenture Trustee shall be entitled to make any withholding or deduction from payments under this Indenture to the extent necessary to comply with Sections 1471 through 1474 of the Code and any regulations or agreements thereunder or official interpretations thereof, for which the Indenture Trustee shall not have any liability.

ARTICLE VII

HOLDERS' LISTS AND REPORTS

SECTION 7.01. Issuer To Furnish Indenture Trustee Names and Addresses of Holders. The Issuer will furnish or cause to be furnished to the Indenture Trustee (a) not more than five days after the earlier of (i) each Record Date and (ii) six months after the last Record Date, a list, in such form as the Indenture Trustee may reasonably require, of the names and addresses of the Holders as of such Record Date, and (b) at such other times as the Indenture Trustee may request in writing, within 30 days after receipt by the Issuer of any such request, a list of similar form and content as of a date not more than ten days prior to the time such list is furnished; provided, however, that, so long as the Indenture Trustee is the Securitization Bond Registrar, no such list shall be required to be furnished.

SECTION 7.02. Preservation of Information; Communications to Holders.

(a) The Indenture Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of the Holders contained in the most recent list furnished to the Indenture Trustee as provided in Section 7.01 and the names and addresses of Holders received by the Indenture Trustee in its capacity as Securitization Bond Registrar. The Indenture Trustee may destroy any list furnished to it as provided in Section 7.01 upon receipt of a new list so furnished.

(b) Holders may communicate pursuant to Section 312(b) of the Trust Indenture Act with other Holders with respect to their rights under this Indenture or under the Securitization Bonds. In addition, upon the written request of any Holder or group of Holders of Outstanding Securitization Bonds evidencing at least 10 percent of the Outstanding Amount of the Securitization Bonds, the Indenture Trustee shall afford the Holder or Holders making such request a copy of a current list of Holders for purposes of communicating with other Holders with respect to their rights hereunder; provided, that the Indenture Trustee gives prior written notice to the Issuer of such request.

(c) The Issuer, the Indenture Trustee and the Securitization Bond Registrar shall have the protection of Section 312(c) of the Trust Indenture Act.

SECTION 7.03. Reports by Issuer.

(a) The Issuer shall:

(i) so long as the Issuer or the Sponsor is required to file such documents with the SEC, provide to the Indenture Trustee, within 15 days after the Issuer is required to file the same with the SEC, copies of the annual reports and of the information, documents and other reports (or copies of such portions of any of the foregoing as the SEC may from time to time by rules and regulations prescribe) that the Issuer or the Sponsor may be required to file with the SEC pursuant to Section 13 or 15(d) of the Exchange Act;

(ii) provide to the Indenture Trustee and file with the SEC, in accordance with rules and regulations prescribed from time to time by the SEC, such additional information, documents and reports with respect to compliance by the Issuer with the conditions and covenants of this Indenture as may be required from time to time by such rules and regulations; and

(iii) supply to the Indenture Trustee (and the Indenture Trustee shall transmit by mail to all Holders described in Section 313(c) of the Trust Indenture Act), such summaries of any information, documents and reports required to be filed by the Issuer pursuant to Section 7.03(a)(i) and Section 7.03(a)(ii) as may be required by rules and regulations prescribed from time to time by the SEC.

Except as may be provided by Section 313(c) of the Trust Indenture Act, the Issuer may fulfill its obligation to provide the materials described in this Section 7.03(a) by providing such materials in electronic format.

Delivery of such reports, information and documents to the Indenture Trustee is for informational purposes only, and the Indenture Trustee's receipt of such reports, information and documents shall not constitute constructive or actual knowledge or notice of any information contained therein or determinable from information contained therein, including the Issuer's compliance with any of its covenants hereunder (as to which the Indenture Trustee is entitled to rely exclusively on Officer's Certificates).

(b) Unless the Issuer otherwise determines, the fiscal year of the Issuer shall end on December 31 of each year.

SECTION 7.04. Reports by Indenture Trustee. If required by Section 313(a) of the Trust Indenture Act, within 60 days after March 31 of each year, commencing with March 31, 2024, the Indenture Trustee shall mail to each Holder as required by Section 313(c) of the Trust Indenture Act a brief report dated as of such date that complies with Section 313(a) of the Trust Indenture Act. The Indenture Trustee also shall comply with Section 313(b) of the Trust Indenture Act; provided, however, that the initial report so issued shall be delivered not more than 12 months after the initial issuance of the Securitization Bonds.

A copy of each report at the time of its mailing to Holders shall be filed by the Servicer with the SEC and each stock exchange, if any, on which the Securitization Bonds are listed. The Issuer shall notify the Indenture Trustee in writing if and when the Securitization Bonds are listed on any stock exchange.

ARTICLE VIII

ACCOUNTS, DISBURSEMENTS AND RELEASES

SECTION 8.01. Collection of Money. Except as otherwise expressly provided herein, the Indenture Trustee may demand payment or delivery of, and shall receive and collect, directly and without intervention or assistance of any fiscal agent or other intermediary, all money and other property payable to or receivable by the Indenture Trustee pursuant to this Indenture and the other Basic Documents. The Indenture Trustee shall apply all such money received by it as provided in this Indenture. Except as otherwise expressly provided in this Indenture, if any default occurs in the making of any payment or performance under any agreement or instrument that is part of the Securitization Bond Collateral, the Indenture Trustee may take such action as may be appropriate to enforce such payment or performance, subject to Article VI, including the institution and prosecution of appropriate Proceedings. Any such action shall be without prejudice to any right to claim a Default or Event of Default under this Indenture and any right to proceed thereafter as provided in Article V.

SECTION 8.02. Collection Account.

(a) Prior to the Closing Date, the Issuer shall open or cause to be opened with the Securities Intermediary located at the Indenture Trustee's office located at the Corporate Trust Office, or at another Eligible Institution, one or more segregated trust accounts in the Indenture Trustee's name for the deposit of Securitization Charge Collections and all other amounts received with respect to the Securitization Bond Collateral (the "Collection Account"). There shall be established by the Indenture Trustee in respect of the Collection Account three subaccounts: a general subaccount (the "General Subaccount"); an excess funds subaccount (the "Excess Funds Subaccount"); and a capital subaccount (the "Capital Subaccount" and, together with the General Subaccount and the Excess Funds Subaccount, the "Subaccounts"). For administrative purposes, the Subaccounts may be established by the Securities Intermediary as separate accounts. Such separate accounts will be recognized individually as a Subaccount and collectively as the "Collection Account". Prior to or concurrently with the issuance of Securitization Bonds, the Member shall deposit into the Capital Subaccount an amount equal to the Required Capital Level. All amounts in the Collection Account not allocated to any other subaccount shall be allocated to the General Subaccount. Prior to the initial Payment Date, all amounts in the Collection Account (other than funds deposited into the Capital Subaccount up to the Required Capital Level) shall be allocated to the General Subaccount. All references to the Collection Account shall be deemed to include reference to all subaccounts contained therein. Withdrawals from and deposits to each of the foregoing subaccounts of the Collection Account shall be made as set forth in Section 8.02(d) and Section 8.02(e). The Collection Account shall at all times be maintained in an Eligible Account and will be under the sole dominion and exclusive control of the Indenture Trustee, through the Securities Intermediary, and only the Indenture Trustee shall have access to the Collection Account for the purpose of making deposits in and withdrawals from the Collection Account in accordance with this Indenture. Funds in the Collection Account shall not be commingled with any other moneys. All moneys deposited from time to time in the Collection Account, all deposits therein pursuant to this Indenture and all investments made in Eligible Investments as directed in writing by the Issuer with such moneys, including all income or other gain from such investments, shall be held by the Securities Intermediary in the Collection Account as part of the Securitization Bond Collateral as herein provided. The Indenture Trustee shall have no investment discretion. Absent written instructions to invest, funds shall remain uninvested. The Securities Intermediary shall have no liability in respect of losses incurred as a result of the liquidation of any Eligible Investment prior to its stated maturity or its date of redemption or the failure of the Issuer or the Servicer to provide timely written investment direction.

(b) The Securities Intermediary hereby confirms that (i) the Collection Account is, or at inception will be established as, a "securities account" as such term is defined in Section 8-501(a) of the UCC, (ii) it is a "securities intermediary" (as such term is defined in Section 8-102(a)(14) of the UCC) and is acting in such capacity with respect to such accounts, (iii) the Indenture Trustee for the benefit of the Secured Parties is the sole "entitlement holder" (as such term is defined in Section 8-102(a)(7) of the UCC) with respect to such accounts and (iv) no other Person shall have the right to give "entitlement orders" (as such term is defined in Section 8-102(a)(8)) with respect to such accounts. The Securities Intermediary hereby further agrees that each item of property (whether investment property, financial asset, security, instrument or cash) received by it will be credited to the Collection Account and (except for any such item of property that is cash) shall be treated by it as a "financial asset" within the meaning of Section 8-102(a)(9) of the UCC. The Indenture Trustee shall hold any Securitization Bond Collateral consisting of money in the Collection Account and hereby confirms that, for such purpose, the Collection Account is a "deposit account" within the meaning of Section 9-102(a)(29) of the UCC. The Indenture Trustee further confirms that, for purposes of perfecting the security interest in such deposit account, the Indenture Trustee shall act as the "bank" within the meaning of Section 9-102(a)(8) of the UCC. Notwithstanding anything to the contrary, the State of New York shall be deemed to be the jurisdiction of the Securities Intermediary for purposes of Section 8-110 of the UCC and of the Indenture Trustee acting as the "bank" for purposes of Section 9-304(a) of the UCC, and the Collection Account (as well as the securities entitlements related thereto) shall be governed by the laws of the State of New York. The Securities Intermediary represents and agrees that (x) the "account agreement" (within the meaning of the Hague Securities Convention) establishing the Collection Account is governed by the law of the State of New York and that the law of the State of New York shall govern all issues specified in Article 2(1) of the Hague Securities Convention and (y) at the time of entry of such account agreement, the Securities Intermediary had one or more offices (within the meaning of the Hague Securities Convention) in the United States of America that satisfies the criteria provided in Article 4(1)(a) or 4(1)(b) of the Hague Securities Convention.

(c) The Indenture Trustee shall have sole dominion and exclusive control over all moneys in the Collection Account through the Securities Intermediary and shall apply such amounts therein as provided in this Section 8.02.

(d) Securitization Charge Collections shall be deposited in the General Subaccount as provided in Section 6.11 of the Servicing Agreement. All deposits to and withdrawals from the Collection Account, all allocations to the subaccounts of the Collection Account and any amounts to be paid to the Servicer under Section 8.02(e) shall be made by the Indenture Trustee in accordance with the written instructions provided by the Servicer in the Monthly Servicer's Certificate or the Semi-Annual Servicer's Certificate.

(e) On each Payment Date, the Indenture Trustee shall apply all amounts on deposit in the Collection Account, including all Investment Earnings thereon, in accordance with the Semi-Annual Servicer's Certificate, in the following priority:

(i) amounts owed by the Issuer to the Indenture Trustee (including legal fees and expenses and outstanding indemnity amounts) shall be paid to the Indenture Trustee (subject to Section 6.07) in an amount not to exceed $250,000 per annum (the "Indenture Trustee Cap"); provided, however, that the Indenture Trustee Cap shall be disregarded and inapplicable following an Event of Default;

(ii) the Servicing Fee with respect to such Payment Date and any unpaid Servicing Fees for prior Payment Dates shall be paid to the Servicer;

(iii) the Administration Fee for such Payment Date shall be paid to the Administrator and the Independent Manager Fee for such Payment Date shall be paid to each Independent Manager, and in each case with any unpaid Administration Fees or Independent Manager Fees from prior Payment Dates;

(iv) all other ordinary and periodic Operating Expenses for such Payment Date not described above shall be paid to the parties to which such Operating Expenses are owed;

(v) Periodic Interest for such Payment Date, including any overdue Periodic Interest, with respect to the Securitization Bonds shall be paid to the Holders of Securitization Bonds;

(vi) principal required to be paid on the Securitization Bonds on the Final Maturity Date of each Tranche of the Securitization Bonds or as a result of an acceleration upon an Event of Default shall be paid to the Holders of Securitization Bonds;

(vii) Periodic Principal for such Payment Date, in accordance with the Expected Amortization Schedule, including any previously unpaid Periodic Principal, with respect to the Securitization Bonds shall be paid to the Holders of Securitization Bonds, pro rata if there is a deficiency;

(viii) any other unpaid Operating Expenses (including any such fees, expenses and indemnity amounts owed to the Indenture Trustee but unpaid due to the limitation in Section 8.02(e)(i)) and any remaining amounts owed pursuant to the Basic Documents shall be paid to the parties to which such Operating Expenses or remaining amounts are owed;

(ix) replenishment of the amount, if any, by which the Required Capital Level exceeds the amount in the Capital Subaccount as of such Payment Date shall be allocated to the Capital Subaccount;

(x) as long as no Event of Default has occurred or is continuing, the Capital Subaccount Investment Earnings shall be paid to Consumers Energy;

(xi) the balance, if any, shall be allocated to the Excess Funds Subaccount; and

(xii) after the Securitization Bonds have been paid in full and discharged, and all of the other foregoing amounts have been paid in full, together with all amounts due and payable to the Indenture Trustee under Section 6.07 or otherwise, the balance (including all amounts then held in the Capital Subaccount and the Excess Funds Subaccount), if any, shall be paid to the Issuer, free from the Lien of this Indenture and the Series Supplement.

All payments to the Holders of the Securitization Bonds pursuant to Section 8.02(e)(v), Section 8.02(e)(vi) and Section 8.02(e)(vii) shall be made to such Holders pro rata based on the respective amounts of interest and/or principal owed, unless, in the case of Securitization Bonds comprised of two or more Tranches, the Series Supplement provides otherwise. Payments in respect of principal of and premium, if any, and interest on any Tranche of Securitization Bonds will be made on a pro rata basis among all the Holders of such Tranche. In the case of an Event of Default, then, in accordance with Section 5.04(c), in respect of any application of moneys pursuant to Section 8.02(e)(v) or Section 8.02(e)(vi), moneys will be applied pursuant to Section 8.02(e)(v) and Section 8.02(e)(vi), as the case may be, in such order, on a pro rata basis, based upon the interest or the principal owed.

(f) If on any Payment Date, or, for any amounts payable under Section 8.02(e)(i), Section 8.02(e)(ii), Section 8.02(e)(iii) and Section 8.02(e)(iv), on any Business Day, funds on deposit in the General Subaccount are insufficient to make the payments contemplated by Section 8.02(e)(i), Section 8.02(e)(ii), Section 8.02(e)(iii), Section 8.02(e)(iv), Section 8.02(e)(v), Section 8.02(e)(vi), Section 8.02(e)(vii) and Section 8.02(e)(viii), the Indenture Trustee (at the direction of the Servicer) shall (i) first, draw from amounts on deposit in the Excess Funds Subaccount, and (ii) second, draw from amounts on deposit in the Capital Subaccount, in each case, up to the amount of such shortfall in order to make the payments contemplated by Section 8.02(e)(i), Section 8.02(e)(ii), Section 8.02(e)(iii), Section 8.02(e)(iv), Section 8.02(e)(v), Section 8.02(e)(vi), Section 8.02(e)(vii) and Section 8.02(e)(viii). In addition, if on any Payment Date funds on deposit in the General Subaccount are insufficient to make the allocations contemplated by Section 8.02(e)(ix), the Indenture Trustee (at the direction of the Servicer) shall draw any amounts on deposit in the Excess Funds Subaccount to make such allocations to the Capital Subaccount.

(g) On any Business Day upon which the Indenture Trustee receives a written request from the Administrator stating that any Operating Expense payable by the Issuer (but only as described in Section 8.02(e)(i), Section 8.02(e)(ii), Section 8.02(e)(iii) and Section 8.02(e)(iv)) will become due and payable prior to the next Payment Date, and setting forth the amount and nature of such Operating Expense, as well as any supporting documentation that the Indenture Trustee may reasonably request, the Indenture Trustee, upon receipt of such information, will make payment of such Operating Expenses on or before the date such payment is due from amounts on deposit in the General Subaccount, the Excess Funds Subaccount and the Capital Subaccount, in that order and only to the extent required to make such payment.

SECTION 8.03. General Provisions Regarding the Collection Account.

(a) So long as no Default or Event of Default shall have occurred and be continuing, all or a portion of the funds in the Collection Account shall be invested in Eligible Investments and reinvested by the Indenture Trustee upon Issuer Order; provided, however, that such Eligible Investments shall not mature or be redeemed later than the Business Day prior to the next Payment Date or Special Payment Date, if applicable, for the Securitization Bonds. All income or other gain from investments of moneys deposited in the Collection Account shall be deposited by the Indenture Trustee in the Collection Account, and any loss resulting from such investments shall be charged to the Collection Account. The Issuer will not direct the Indenture Trustee to make any investment of any funds or to sell any investment held in the Collection Account unless the security interest Granted and perfected in such account will continue to be perfected in such investment or the proceeds of such sale, in either case without any further action by any Person, and, in connection with any direction to the Indenture Trustee to make any such investment or sale, if requested by the Indenture Trustee, the Issuer shall deliver to the Indenture Trustee an Opinion of Counsel of external counsel of the Issuer (at the Issuer's cost and expense) to such effect. In no event shall the Indenture Trustee be liable for the selection of Eligible Investments or for investment losses incurred thereon. The Indenture Trustee shall have no liability in respect of losses incurred as a result of the liquidation of any Eligible Investment prior to its stated maturity or its date of redemption or the failure of the Issuer or the Servicer to provide timely written investment direction. The Indenture Trustee shall have no obligation to invest or reinvest any amounts held hereunder in the absence of written investment direction pursuant to an Issuer Order.

(b) Subject to Section 6.01(c), the Indenture Trustee shall not in any way be held liable by reason of any insufficiency in the Collection Account resulting from any loss on any Eligible Investment included therein except for losses attributable to the Indenture Trustee's failure to make payments on such Eligible Investments issued by the Indenture Trustee, in its commercial capacity as principal obligor and not as trustee, in accordance with their terms.

(c) If (i) the Issuer shall have failed to give written investment directions for any funds on deposit in the Collection Account to the Indenture Trustee by 11:00 a.m. New York City time (or such other time as may be agreed by the Issuer and Indenture Trustee) on any Business Day or (ii) a Default or Event of Default shall have occurred and be continuing with respect to the Securitization Bonds but the Securitization Bonds shall not have been declared due and payable pursuant to Section 5.02, then the Indenture Trustee shall, to the fullest extent practicable, invest and reinvest funds in such Collection Account in Eligible Investments specified in the most recent written investment directions delivered by the Issuer to the Indenture Trustee; provided, that if the Issuer has never delivered written investment directions to the Indenture Trustee, the Indenture Trustee shall not invest or reinvest such funds in any investments.

(d) The parties hereto acknowledge that the Servicer may, pursuant to the Servicing Agreement, select Eligible Investments on behalf of the Issuer.

(e) Except as otherwise provided hereunder or agreed in writing among the parties hereto, the Issuer shall retain the authority to institute, participate and join in any plan of reorganization, readjustment, merger or consolidation with respect to the issuer of any Eligible Investments held hereunder, and, in general, to exercise each and every other power or right with respect to each such asset or investment as Persons generally have and enjoy with respect to their own assets and investment, including power to vote upon any Eligible Investments.

SECTION 8.04. Release of Securitization Bond Collateral.

(a) So long as the Issuer is not in default hereunder and no Default hereunder would occur as a result of such action, the Issuer, through the Servicer, may collect, sell or otherwise dispose of written-off receivables relating to any Securitization Bond Collateral, at any time and from time to time in the ordinary course of business, without any notice to, or release or consent by, the Indenture Trustee, but only as and to the extent permitted by the Basic Documents; provided, however, that any and all proceeds of such dispositions shall become Securitization Bond Collateral and be deposited to the General Subaccount immediately upon receipt thereof by the Issuer or any other Person, including the Servicer. Without limiting the foregoing, the Servicer, may, at any time and from time to time without any notice to, or release or consent by, the Indenture Trustee, sell or otherwise dispose of any Securitization Bond Collateral previously written-off as a defaulted or uncollectible account in accordance with the terms of the Servicing Agreement and the requirements of the proviso in the preceding sentence.

(b) The Indenture Trustee may, and when required by the provisions of this Indenture shall, execute instruments to release property from the Lien of this Indenture, or convey the Indenture Trustee's interest in the same, in a manner and under circumstances that are not inconsistent with the provisions of this Indenture. No party relying upon an instrument executed by the Indenture Trustee as provided in this Article VIII shall be bound to ascertain the Indenture Trustee's authority, inquire into the satisfaction of any conditions precedent or see to the application of any moneys. The Indenture Trustee shall release property from the Lien of this Indenture pursuant to this Section 8.04(b) only upon receipt of an Issuer Request accompanied by an Officer's Certificate, an Opinion of Counsel of external counsel of the Issuer (at the Issuer's cost and expense) and (if required by the Trust Indenture Act) Independent Certificates in accordance with Section 314(c) of the Trust Indenture Act and Section 314(d)(1) of the Trust Indenture Act meeting the applicable requirements of Section 10.01.

(c) The Indenture Trustee shall, at such time as there are no Securitization Bonds Outstanding and all sums payable to the Indenture Trustee pursuant to Section 6.07 or otherwise have been paid, release any remaining portion of the Securitization Bond Collateral that secured the Securitization Bonds from the Lien of this Indenture and release to the Issuer or any other Person entitled thereto any funds or investments then on deposit in or credited to the Collection Account.

SECTION 8.05. Opinion of Counsel. The Indenture Trustee shall receive at least seven days' notice when requested by the Issuer to take any action pursuant to Section 8.04, accompanied by copies of any instruments involved, and the Indenture Trustee shall also require, as a condition to such action, an Opinion of Counsel of external counsel of the Issuer, in form and substance satisfactory to the Indenture Trustee, stating the legal effect of any such action, outlining the steps required to complete the same, and concluding that all conditions precedent to the taking of such action have been complied with and such action will not materially and adversely impair the perfection or priority of the security for the Securitization Bonds or the rights of the Holders in contravention of the provisions of this Indenture and the Series Supplement; provided, however, that such Opinion of Counsel shall not be required to express an opinion as to the fair value of the Securitization Bond Collateral. Counsel rendering any such opinion may rely, without independent investigation, on the accuracy and validity of any certificate or other instrument delivered to the Indenture Trustee in connection with any such action.

SECTION 8.06. Reports by Independent Registered Public Accountants. As of the Closing Date, the Issuer shall appoint a firm of Independent registered public accountants of recognized national reputation for purposes of preparing and delivering the reports or certificates of such accountants required by this Indenture and the Series Supplement. In the event such firm requires the Indenture Trustee to agree to the procedures performed by such firm, the Issuer shall direct the Indenture Trustee in writing to so agree, it being understood and agreed that the Indenture Trustee will deliver such letter of agreement in conclusive reliance upon the direction of the Issuer, and the Indenture Trustee makes no independent inquiry or investigation to, and shall have no obligation or liability in respect of, the sufficiency, validity or correctness of such procedures. Upon any resignation by, or termination by the Issuer of, such firm, the Issuer shall provide written notice thereof to the Indenture Trustee and shall promptly appoint a successor thereto that shall also be a firm of Independent registered public accountants of recognized national reputation. If the Issuer shall fail to appoint a successor to a firm of Independent registered public accountants that has resigned or been terminated within 15 days after such resignation or termination, the Indenture Trustee shall promptly notify the Issuer of such failure in writing. If the Issuer shall not have appointed a successor within ten days thereafter, the Indenture Trustee shall promptly appoint a successor firm of Independent registered public accountants of recognized national reputation; provided, that the Indenture Trustee shall have no liability with respect to such appointment. The fees of such Independent registered public accountants and its successor shall be payable by the Issuer as an Operating Expense.

ARTICLE IX

SUPPLEMENTAL INDENTURES

SECTION 9.01. Supplemental Indentures Without Consent of Holders.

(a) Without the consent of the Holders of any Securitization Bonds but with prior notice to the Rating Agencies, the Issuer and the Indenture Trustee, when authorized by an Issuer Order, at any time and from time to time, may enter into one or more indentures supplemental hereto (which shall conform to the provisions of the Trust Indenture Act as in force at the date of the execution thereof), in form satisfactory to the Indenture Trustee, for any of the following purposes:

(i) to correct or amplify the description of any property, including the Securitization Bond Collateral, at any time subject to the Lien of this Indenture, or to better assure, convey and confirm unto the Indenture Trustee any property subject or required to be subjected to the Lien of this Indenture and the Series Supplement, or to subject to the Lien of this Indenture and the Series Supplement additional property;

(ii) to evidence the succession, in compliance with the applicable provisions hereof, of another Person to the Issuer, and the assumption by any such successor of the covenants of the Issuer herein and in the Securitization Bonds;

(iii) to add to the covenants of the Issuer, for the benefit of the Secured Parties, or to surrender any right or power herein conferred upon the Issuer;

(iv) to convey, transfer, assign, mortgage or pledge any property to or with the Indenture Trustee;

(v) to cure any ambiguity or mistake, to correct or supplement any provision herein or in any supplemental indenture, including the Series Supplement, that may be inconsistent with any other provision herein or in any supplemental indenture, including the Series Supplement, or to make any other provisions with respect to matters or questions arising under this Indenture or in any supplemental indenture; provided, that (A) such action shall not, as evidenced by an Opinion of Counsel of external counsel of the Issuer, adversely affect in any material respect the interests of the Holders of the Securitization Bonds and (B) the Rating Agency Condition shall have been satisfied with respect thereto;

(vi) to evidence and provide for the acceptance of the appointment hereunder by a successor trustee with respect to the Securitization Bonds and to add to or change any of the provisions of this Indenture as shall be necessary to facilitate the administration of the trusts hereunder by more than one trustee, pursuant to the requirements of Article VI;

(vii) to modify, eliminate or add to the provisions of this Indenture to such extent as shall be necessary to effect the qualification of this Indenture under the Trust Indenture Act and to add to this Indenture such other provisions as may be expressly required by the Trust Indenture Act;

(viii) to evidence the final terms of the Securitization Bonds in the Series Supplement;

(ix) to qualify the Securitization Bonds for registration with a Clearing Agency;

(x) to satisfy any Rating Agency requirements;

(xi) to make any amendment to this Indenture or the Securitization Bonds relating to the transfer and legending of the Securitization Bonds to comply with applicable securities laws; or

(xii) to conform the text of this Indenture or the Securitization Bonds to any provision of the registration statement filed by the Issuer with the SEC with respect to the issuance of the Securitization Bonds to the extent that such provision was intended to be a verbatim recitation of a provision of this Indenture or the Securitization Bonds.

The Indenture Trustee is hereby authorized to join in the execution of any such supplemental indenture and to make any further appropriate agreements and stipulations that may be therein contained.

(b) The Issuer and the Indenture Trustee, when authorized by an Issuer Order, may, also without the consent of any of the Holders of the Securitization Bonds, enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, this Indenture or of modifying in any manner the rights of the Holders of the Securitization Bonds under this Indenture; provided, however, that (i) such action shall not, as evidenced by an Opinion of Counsel of nationally recognized counsel of the Issuer experienced in structured finance transactions, adversely affect in any material respect the interests of the Holders and (ii) the Rating Agency Condition shall have been satisfied with respect thereto.

SECTION 9.02. Supplemental Indentures with Consent of Holders. The Issuer and the Indenture Trustee, when authorized by an Issuer Order, also may, with prior notice to the Rating Agencies and with the consent of the Holders of a majority of the Outstanding Amount of the Securitization Bonds of each Tranche to be affected, by Act of such Holders delivered to the Issuer and the Indenture Trustee, enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, this Indenture or of modifying in any manner the rights of the Holders of the Securitization Bonds under this Indenture; provided, however, that no such supplemental indenture shall, without the consent of the Holder of each Outstanding Securitization Bond of each Tranche affected thereby:

(i) change the date of payment of any installment of principal of or premium, if any, or interest on any Securitization Bond of such Tranche, or reduce the principal amount thereof, the interest rate thereon or premium, if any, with respect thereto;

(ii) change the provisions of this Indenture and the Series Supplement relating to the application of collections on, or the proceeds of the sale of, the Securitization Bond Collateral to payment of principal of or premium, if any, or interest on the Securitization Bonds, or change any place of payment where, or the coin or currency in which, any Securitization Bond or the interest thereon is payable;

(iii) modify the definition of "Outstanding" hereunder;

(iv) reduce the percentage of the Outstanding Amount of the Securitization Bonds or of a Tranche thereof, the consent of the Holders of which is required for any such supplemental indenture, or the consent of the Holders of which is required for any waiver of compliance with certain provisions of this Indenture or certain defaults hereunder and their consequences provided for in this Indenture;

(v) reduce the percentage of the Outstanding Amount of the Securitization Bonds or Tranche thereof required to direct the Indenture Trustee to direct the Issuer to sell or liquidate the Securitization Bond Collateral pursuant to Section 5.04;

(vi) modify any provision of this Section 9.02 or any provision of the other Basic Documents similarly specifying the rights of the Holders to consent to modification thereof, except to increase any percentage specified herein or to provide that those provisions of this Indenture or the other Basic Documents referenced in this Section 9.02 cannot be modified or waived without the consent of the Holder of each Outstanding Securitization Bond affected thereby;

(vii) modify any of the provisions of this Indenture in such manner as to affect the calculation of the amount of any payment of interest, principal or premium, if any, due on any Securitization Bond on any Payment Date (including the calculation of any of the individual components of such calculation) or change the Expected Amortization Schedule, expected sinking fund schedule or Final Maturity Date of any Tranche of Securitization Bonds;

(viii) decrease the Required Capital Level;

(ix) permit the creation of any Lien ranking prior to or on a parity with the Lien of this Indenture with respect to any part of the Securitization Bond Collateral or, except as otherwise permitted or contemplated herein, terminate the Lien of this Indenture on any property at any time subject hereto or deprive the Holder of any Securitization Bond of the security provided by the Lien of this Indenture;

(x) cause any material adverse U.S. federal income tax consequence to the Seller, the Issuer, the Managers, the Indenture Trustee or the then-existing Holders; or

(xi) impair the right to institute suit for the enforcement of the provisions of this Indenture regarding payment or application of funds.

It shall not be necessary for any Act of Holders under this Section 9.02 to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such Act shall approve the substance thereof.

Promptly after the execution by the Issuer and the Indenture Trustee of any supplemental indenture pursuant to this Section 9.02, the Issuer shall mail to the Rating Agencies a copy of such supplemental indenture and to the Holders of the Securitization Bonds to which such supplemental indenture relates either a copy of such supplemental indenture or a notice setting forth in general terms the substance of such supplemental indenture. Any failure of the Issuer to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental indenture.

SECTION 9.03. Execution of Supplemental Indentures. In executing any supplemental indenture permitted by this Article IX or the modifications thereby of the trust created by this Indenture, the Indenture Trustee shall be entitled to receive, and subject to Section 6.01 and Section 6.02 shall be fully protected in relying upon, an Officer's Certificate and Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture and all conditions precedent, if any, provided for in this Indenture relating to such supplemental indenture or modification have been satisfied. The Indenture Trustee may, but shall not be obligated to, enter into any such supplemental indenture that affects the Indenture Trustee's own rights, duties, liabilities or immunities under this Indenture or otherwise. All fees and expenses in connection with any such supplemental indenture shall be paid by the requesting party.

SECTION 9.04. Effect of Supplemental Indenture. Upon the execution of any supplemental indenture pursuant to the provisions hereof, this Indenture shall be and be deemed to be modified and amended in accordance therewith with respect to each Tranche of Securitization Bonds affected thereby, and the respective rights, limitations of rights, obligations, duties, liabilities and immunities under this Indenture of the Indenture Trustee, the Issuer and the Holders shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such supplemental indenture shall be and be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

SECTION 9.05. Conformity with Trust Indenture Act. Every amendment of this Indenture and every supplemental indenture executed pursuant to this Article IX shall conform to the requirements of the Trust Indenture Act as then in effect so long as this Indenture shall then be qualified under the Trust Indenture Act.

SECTION 9.06. Reference in Securitization Bonds to Supplemental Indentures. Securitization Bonds authenticated and delivered after the execution of any supplemental indenture pursuant to this Article IX may bear a notation as to any matter provided for in such supplemental indenture. If the Issuer shall so determine, new Securitization Bonds so modified as to conform, in the opinion of the Issuer, to any such supplemental indenture may be prepared and executed by the Issuer and authenticated and delivered by the Indenture Trustee in exchange for Outstanding Securitization Bonds.

ARTICLE X

MISCELLANEOUS

SECTION 10.01. Compliance Certificates and Opinions, etc.

(a) Upon any application or request by the Issuer to the Indenture Trustee to take any action under any provision of this Indenture, the Issuer shall furnish to the Indenture Trustee (i) an Officer's Certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with, (ii) an Opinion of Counsel stating that in the opinion of such counsel the proposed action is authorized or permitted and all such conditions precedent, if any, have been complied with and (iii) (if required by the Trust Indenture Act) an Independent Certificate from a firm of registered public accountants meeting the applicable requirements of this Section 10.01, except that, in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Indenture, no additional certificate or opinion need be furnished.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include:

(i) a statement that each signatory of such certificate or opinion has read or has caused to be read such covenant or condition and the definitions herein relating thereto;

(ii) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(iii) a statement that, in the opinion of each such signatory, such signatory has made such examination or investigation as is necessary to enable such signatory to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(iv) a statement as to whether, in the opinion of each such signatory, such condition or covenant has been complied with.

(b) Prior to the deposit of any Securitization Bond Collateral or other property or securities with the Indenture Trustee that is to be made the basis for the release of any property or securities subject to the Lien of this Indenture, the Issuer shall, in addition to any obligation imposed in Section 10.01(a) or elsewhere in this Indenture, furnish to the Indenture Trustee an Officer's Certificate certifying or stating the opinion of each person signing such certificate as to the fair value (within 90 days of such deposit) to the Issuer of the Securitization Bond Collateral or other property or securities to be so deposited.

(c) Whenever the Issuer is required to furnish to the Indenture Trustee an Officer's Certificate certifying or stating the opinion of any signer thereof as to the matters described in Section 10.01(b), the Issuer shall also deliver to the Indenture Trustee an Independent Certificate as to the same matters, if the fair value to the Issuer of the securities to be so deposited and of all other such securities made the basis of any such withdrawal or release since the commencement of the then-current fiscal year of the Issuer, as set forth in the certificates delivered pursuant to Section 10.01(b) and this Section 10.01(c), is ten percent or more of the Outstanding Amount of the Securitization Bonds, but such a certificate need not be furnished with respect to any securities so deposited, if the fair value thereof to the Issuer as set forth in the related Officer's Certificate is less than the lesser of (A) $25,000 or (B) one percent of the Outstanding Amount of the Securitization Bonds.

(d) Whenever any property or securities are to be released from the Lien of this Indenture other than pursuant to Section 8.02(e), the Issuer shall also furnish to the Indenture Trustee an Officer's Certificate certifying or stating the opinion of each person signing such certificate as to the fair value (within 90 days of such release) of the property or securities proposed to be released and stating that in the opinion of such person the proposed release will not impair the security under this Indenture in contravention of the provisions hereof.

(e) Whenever the Issuer is required to furnish to the Indenture Trustee an Officer's Certificate certifying or stating the opinion of any signatory thereof as to the matters described in Section 10.01(d), the Issuer shall also furnish to the Indenture Trustee an Independent Certificate as to the same matters if the fair value of the property or securities with respect thereto, or securities released from the Lien of this Indenture (other than pursuant to Section 8.02(e)) since the commencement of the then-current calendar year, as set forth in the certificates required by Section 10.01(d) and this Section 10.01(e), equals 10 percent or more of the Outstanding Amount of the Securitization Bonds, but such certificate need not be furnished in the case of any release of property or securities if the fair value thereof as set forth in the related Officer's Certificate is less than the lesser of (A) $25,000 or (B) one percent of the then Outstanding Amount of the Securitization Bonds.

(f) Notwithstanding any other provision of this Section 10.01, the Indenture Trustee may (A) collect, liquidate, sell or otherwise dispose of the Securitization Property and the other Securitization Bond Collateral as and to the extent permitted or required by the Basic Documents and (B) make cash payments out of the Collection Account as and to the extent permitted or required by the Basic Documents.

SECTION 10.02. Form of Documents Delivered to Indenture Trustee. In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of a Responsible Officer of the Issuer may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his or her certificate or opinion is based are erroneous. Any such certificate of a Responsible Officer or Opinion of Counsel may be based, insofar as it relates to factual matters (including financial and capital markets matters), upon a certificate or opinion of, or representations by, an officer or officers of the Servicer or the Issuer and other documents necessary and advisable in the judgment of the Responsible Officer delivering such certificate or counsel delivering such Opinion of Counsel.

Whenever in this Indenture, in connection with any application or certificate or report to the Indenture Trustee, it is provided that the Issuer shall deliver any document as a condition of the granting of such application, or as evidence of the Issuer's compliance with any term hereof, it is intended that the truth and accuracy, at the time of the granting of such application or at the effective date of such certificate or report (as the case may be), of the facts and opinions stated in such document shall in such case be conditions precedent to the right of the Issuer to have such application granted or to the sufficiency of such certificate or report. The foregoing shall not, however, be construed to affect the Indenture Trustee's right to rely conclusively upon the truth and accuracy of any statement or opinion contained in any such document as provided in Article VI.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

SECTION 10.03. Acts of Holders.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by agents duly appointed in writing, and except as herein otherwise expressly provided such action shall become effective when such instrument or instruments are delivered to the Indenture Trustee and, where it is hereby expressly required, to the Issuer. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Holders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and (subject to Section 6.01) conclusive in favor of the Indenture Trustee and the Issuer, if made in the manner provided in this Section 10.03.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved in any manner that the Indenture Trustee deems sufficient.

(c) The ownership of Securitization Bonds shall be proved by the Securitization Bond Register.

(d) Any request, demand, authorization, direction, notice, consent, waiver or other action by the Holder of any Securitization Bonds shall bind the Holder of every Securitization Bond issued upon the registration thereof or in exchange therefor or in lieu thereof, in respect of anything done, omitted or suffered to be done by the Indenture Trustee or the Issuer in reliance thereon, whether or not notation of such action is made upon such Securitization Bond.

SECTION 10.04. Notices, etc., to Indenture Trustee, Issuer and Rating Agencies. Any notice, report or other communication given to the Indenture Trustee hereunder shall be in writing and shall be effective upon receipt by a Responsible Officer of the Indenture Trustee. Any notice, report or other communication given to any other party hereunder shall be in writing and shall be effective (i) upon receipt when sent through the mails, registered or certified mail, return receipt requested, postage prepaid, with such receipt to be effective the date of delivery indicated on the return receipt, (ii) upon receipt when sent by an overnight courier, (iii) on the date personally delivered to an authorized officer of the party to which sent or (iv) on the date transmitted by facsimile or other electronic transmission with a confirmation of receipt in all cases, addressed as follows:

(a) in the case of the Issuer, to Consumers 2023 Securitization Funding LLC, One Energy Plaza, Jackson, Michigan 49201; Telephone: (517) 788-6749; Email: Todd.Wehner@cmsenergy.com;

(b) in the case of the Indenture Trustee, to the Corporate Trust Office;

(c) in the case of Moody's, to Moody's Investors Service, Inc., ABS/RMBS Monitoring Department, 25th Floor, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, Email: servicerreports@moodys.com (for servicer reports and other reports) or abscormonitoring@moodys.com (for all other notices) (all such notices to be delivered to Moody's in writing by email); and

(d) in the case of S&P, to S&P Global Ratings, a division of S&P Global Inc., Structured Credit Surveillance, 55 Water Street, New York, New York 10041, Telephone: (212) 438-8991, Email: servicer_reports@spglobal.com (all such notices to be delivered to S&P in writing by email).

Each Person listed above may, by notice given in accordance herewith to the other Person or Persons listed above, designate any further or different address to which subsequent notices, reports and other communications shall be sent.

The Indenture Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions"), given pursuant to this Indenture and related Basic Documents and delivered using Electronic Means; provided, however, that the Issuer and/or the Servicer, as applicable, shall provide to the Indenture Trustee an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Issuer and/or the Servicer, as applicable, whenever a person is to be added or deleted from the listing. If the Issuer and/or the Servicer, as applicable, elects to give the Indenture Trustee Instructions using Electronic Means and the Indenture Trustee in its discretion elects to act upon such Instructions, the Indenture Trustee's understanding of such Instructions shall be deemed controlling. The Issuer and the Servicer understand and agree that the Indenture Trustee cannot determine the identity of the actual sender of such Instructions and that the Indenture Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Indenture Trustee have been sent by such Authorized Officer. The Issuer and the Servicer shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Indenture Trustee and that the Issuer, the Servicer and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Issuer and/or the Servicer, as applicable. The Indenture Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Indenture Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. Each of the Issuer and the Servicer agree: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Indenture Trustee, including the risk of the Indenture Trustee acting on unauthorized Instructions and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Indenture Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Issuer and/or the Servicer, as applicable; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Indenture Trustee immediately upon learning of any compromise or unauthorized use of the security procedures. Pursuant to Section 8.13 of the Servicing Agreement, the Servicer has agreed to the provisions set forth in this last paragraph of this Section 10.04 insofar as such provisions relate to the Servicer.

SECTION 10.05. Notices to Holders; Waiver. Where this Indenture provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class, postage prepaid to each Holder affected by such event, at such Holder's address as it appears on the Securitization Bond Register, not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice. In any case where notice to Holders is given by mail, neither the failure to mail such notice nor any defect in any notice so mailed to any particular Holder shall affect the sufficiency of such notice with respect to other Holders, and any notice that is mailed in the manner herein provided shall conclusively be presumed to have been duly given.

Where this Indenture provides for notice in any manner, such notice may be waived in writing by any Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Indenture Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such a waiver.

In case, by reason of the suspension of regular mail service as a result of a strike, work stoppage or similar activity, it shall be impractical to mail notice of any event of Holders when such notice is required to be given pursuant to any provision of this Indenture, then any manner of giving such notice as shall be satisfactory to the Indenture Trustee shall be deemed to be a sufficient giving of such notice.

Where this Indenture provides for notice to the Rating Agencies, failure to give such notice shall not affect any other rights or obligations created hereunder and shall not under any circumstance constitute a Default or Event of Default.

SECTION 10.06. Conflict with Trust Indenture Act. If any provision hereof limits, qualifies or conflicts with another provision hereof that is required to be included in this Indenture by any of the provisions of the Trust Indenture Act, such required provision shall control.

The provisions of Sections 310 through 317 of the Trust Indenture Act that impose duties on any Person (including the provisions automatically deemed included herein unless expressly excluded by this Indenture) are a part of and govern this Indenture, whether or not physically contained herein.

SECTION 10.07. Successors and Assigns. All covenants and agreements in this Indenture and the Securitization Bonds by the Issuer shall bind its successors and assigns, whether so expressed or not. All agreements of the Indenture Trustee in this Indenture shall bind its successors.

SECTION 10.08. Severability. Any provision in this Indenture or in the Securitization Bonds that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remainder of such provision (if any) or the remaining provisions hereof (unless such construction shall be unreasonable), and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 10.09. Benefits of Indenture. Nothing in this Indenture or in the Securitization Bonds, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, and the Holders, and any other party secured hereunder, and any other Person with an ownership interest in any part of the Securitization Bond Collateral, any benefit or any legal or equitable right, remedy or claim under this Indenture.

SECTION 10.10. Legal Holidays. In any case where the date on which any payment is due shall not be a Business Day, then (notwithstanding any other provision of the Securitization Bonds or this Indenture) payment need not be made on such date, but may be made on the next Business Day with the same force and effect as if made on the date on which nominally due, and no interest shall accrue for the period from and after any such nominal date.

SECTION 10.11. GOVERNING LAW. **This Indenture shall be governed by and construed in accordance with the laws of the State of New York, without reference to its conflict of law provisions (other than Section 5-1401 of the New York General Obligations Law and Sections 9-301 through 9-306 of the NY UCC), and the obligations, rights and remedies of the parties hereunder shall be determined in accordance with such laws; provided, that the creation, attachment and perfection of any Liens created hereunder in Securitization Property, and all rights and remedies of the Indenture Trustee and the Holders with respect to the Securitization Property, shall be governed by the laws of the State of Michigan.**

SECTION 10.12. Counterparts. This Indenture may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument. The Issuer and Indenture Trustee agree that this Indenture may be electronically signed, that any digital or electronic signatures (including pdf, facsimile or electronically imaged signatures provided by DocuSign or any other digital signature provider as specified in writing to the Indenture Trustee) appearing on this Indenture are the same as handwritten signatures for the purposes of validity, enforceability and admissibility, and that delivery of any such electronic signature to, or a signed copy of, this Indenture may be made by facsimile, email or other electronic transmission. The Issuer agrees to assume all risks arising out of the use of digital signatures and electronic methods of submitting such signatures to the Indenture Trustee, including the risk of the Indenture Trustee acting upon documents with unauthorized signatures and the risk of interception and misuse by third parties.

SECTION 10.13. Recording of Indenture. If this Indenture is subject to recording in any appropriate public recording offices, such recording is to be effected by the Issuer and at its expense accompanied by an Opinion of Counsel at the Issuer's cost and expense (which shall be external counsel of the Issuer) to the effect that such recording is necessary either for the protection of the Holders or any other Person secured hereunder or for the enforcement of any right or remedy granted to the Indenture Trustee under this Indenture.

SECTION 10.14. No Recourse to Issuer. No recourse may be taken, directly or indirectly, with respect to the obligations of the Issuer or the Indenture Trustee on the Securitization Bonds or under this Indenture or any certificate or other writing delivered in connection herewith or therewith, against (a) any owner of a membership interest in the Issuer (including Consumers Energy) or (b) any shareholder, partner, owner, beneficiary, agent, officer, director or employee of the Indenture Trustee, the Managers or any owner of a membership interest in the Issuer (including Consumers Energy) in its respective individual capacity, or of any successor or assign of any of them in their respective individual or corporate capacities, except as any such Person may have expressly agreed in writing. Notwithstanding any provision of this Indenture or the Series Supplement to the contrary, Holders shall look only to the Securitization Bond Collateral with respect to any amounts due to the Holders hereunder and under the Series Supplement and the Securitization Bonds and, in the event such Securitization Bond Collateral is insufficient to pay in full the amounts owed on the Securitization Bonds, shall have no recourse against the Issuer in respect of such insufficiency. Each Holder by accepting a Securitization Bond specifically confirms the nonrecourse nature of these obligations and waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Securitization Bonds.

SECTION 10.15. Basic Documents. The Indenture Trustee is hereby authorized to execute and deliver the Servicing Agreement and the Intercreditor Agreement and to execute and deliver any other Basic Document that it is requested to acknowledge, including, upon receipt of an Issuer Request, any subsequent Intercreditor Agreement, so long as such Intercreditor Agreement is substantially in the form of the Intercreditor Agreement dated as of the Closing Date and does not materially and adversely affect any Holder's rights in and to any Securitization Bond Collateral or otherwise hereunder. Such request shall be accompanied by an Opinion of Counsel of external counsel of the Issuer, upon which the Indenture Trustee may rely conclusively with no duty of independent investigation or inquiry, to the effect that all conditions precedent for the execution of such Intercreditor Agreement have been satisfied. The Intercreditor Agreement shall be binding on the Holders.

SECTION 10.16. No Petition. The Indenture Trustee, by entering into this Indenture, and each Holder, by accepting a Securitization Bond (or interest therein) issued hereunder, hereby covenant and agree that they shall not, prior to the date that is one year and one day after the termination of this Indenture, acquiesce, petition or otherwise invoke or cause the Issuer or any Manager to invoke the process of any court or government authority for the purpose of commencing or sustaining a case against the Issuer under any bankruptcy or insolvency law or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of the Issuer or any substantial part of its property, or ordering the dissolution, winding up or liquidation of the affairs of the Issuer. Nothing in this Section 10.16 shall preclude, or be deemed to estop, such Holder or the Indenture Trustee (a) from taking or omitting to take any action prior to such date in (i) any case or proceeding voluntarily filed or commenced by or on behalf of the Issuer under or pursuant to any such law or (ii) any involuntary case or proceeding pertaining to the Issuer that is filed or commenced by or on behalf of a Person other than such Holder and is not joined in by such Holder (or any Person to which such Holder shall have assigned, transferred or otherwise conveyed any part of the obligations of the Issuer hereunder) under or pursuant to any such law or (b) from commencing or prosecuting any legal action that is not an involuntary case or proceeding under or pursuant to any such law against the Issuer or any of its properties.

SECTION 10.17. Securities Intermediary and Account Bank. Each of the Securities Intermediary and the Account Bank, in acting under this Indenture, is entitled to all rights, benefits, protections, immunities and indemnities accorded to The Bank of New York Mellon, a New York banking corporation, in its capacity as Indenture Trustee under this Indenture.

SECTION 10.18. Rule 17g-5 Compliance. The Indenture Trustee agrees that any notice, report, request for satisfaction of the Rating Agency Condition, document or other information provided by the Indenture Trustee to any Rating Agency under this Indenture or any other Basic Document to which it is a party for the purpose of determining or confirming the credit rating of the Securitization Bonds or undertaking credit rating surveillance of the Securitization Bonds shall be provided, substantially concurrently, to the Servicer for posting on a password-protected website (the "17g-5 Website"). The Servicer shall be responsible for posting all of the information on the 17g-5 Website.

SECTION 10.19. Submission to Non-Exclusive Jurisdiction; Waiver of Jury Trial. **Each of the Issuer and the Indenture Trustee hereby irrevocably submits to the non-exclusive jurisdiction of any New York State court sitting in The Borough of Manhattan in The City of New York or any U.S. federal court sitting in The Borough of Manhattan in The City of New York in respect of any suit, action or proceeding arising out of or relating to this Indenture and the Securitization Bonds and irrevocably accepts for itself and in respect of its respective property, generally and unconditionally, jurisdiction of the aforesaid courts. Each of the Issuer, the Holders (pursuant to their purchase of the Securitization Bonds) and the Indenture Trustee irrevocably waives, to the fullest extent that it may effectively do so under applicable law, trial by jury.**

{SIGNATURE PAGE FOLLOWS}

IN WITNESS WHEREOF, the Issuer, the Indenture Trustee, the Securities Intermediary and the Account Bank have caused this Indenture to be duly executed by their respective officers thereunto duly authorized and duly attested, all as of the day and year first above written.

CONSUMERS 2023 SECURITIZATION FUNDING LLC,
as Issuer

By: _____
Name: Todd Wehner
Title: Assistant Treasurer

THE BANK OF NEW YORK MELLON,
as Indenture Trustee, as Securities Intermediary and as Account Bank

By: _____
Name:
Title:

STATE OF MICHIGAN)
ss.
COUNTY OF JACKSON)

The foregoing instrument was acknowledged before me this {____} day of December, 2023, by Todd Wehner, Assistant Treasurer of CONSUMERS 2023 SECURITIZATION FUNDING LLC, a Delaware limited liability company, on behalf of the company.

{Seal}

{_____}, Notary Public
State of Michigan, County of Jackson
My Commission Expires: {_____}
Acting in the County of Jackson

STATE OF NEW YORK)
ss.
COUNTY OF NEW YORK)

The foregoing instrument was acknowledged before me this {____} day of December, 2023, by {_____}, {_____} of THE BANK OF NEW YORK MELLON, as Indenture Trustee, Securities Intermediary and Account Bank, a New York banking corporation, on behalf of the bank.

{_____}
Notary Public, State of New York
No. {_____}
Qualified in {_____} County
Commission Expires {_____}

EXHIBIT A

FORM OF SECURITIZATION BOND

See attached.

UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR SECURITIES IN DEFINITIVE REGISTERED FORM, THIS SECURITY MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE CLEARING AGENCY TO THE NOMINEE OF THE CLEARING AGENCY OR BY A NOMINEE OF THE CLEARING AGENCY TO THE CLEARING AGENCY OR ANOTHER NOMINEE OF THE CLEARING AGENCY OR BY THE CLEARING AGENCY OR ANY SUCH NOMINEE TO A SUCCESSOR CLEARING AGENCY OR A NOMINEE OF SUCH SUCCESSOR CLEARING AGENCY. UNLESS THIS SECURITY IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION, TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY SECURITY ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (AND ANY PAYMENT HEREON IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON OR ENTITY IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

No. {_____} $\${\_\_\_\_\_}$
Tranche {__} CUSIP No.: {_____}

THE PRINCIPAL OF THIS TRANCHE {__} SENIOR SECURED SECURITIZATION BOND, SERIES 2023A (THIS "SECURITIZATION BOND") WILL BE PAID IN INSTALLMENTS AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL AMOUNT OF THIS SECURITIZATION BOND AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ABOVE. THE HOLDER OF THIS SECURITIZATION BOND HAS NO RECOURSE TO THE ISSUER HEREOF AND AGREES TO LOOK ONLY TO THE SECURITIZATION BOND COLLATERAL, AS DESCRIBED IN THE INDENTURE, FOR PAYMENT OF ANY AMOUNTS DUE HEREUNDER. ALL OBLIGATIONS OF THE ISSUER OF THIS SECURITIZATION BOND UNDER THE TERMS OF THE INDENTURE WILL BE RELEASED AND DISCHARGED UPON PAYMENT IN FULL HEREOF OR AS OTHERWISE PROVIDED IN SECTION 3.10(b) OR ARTICLE IV OF THE INDENTURE. THE HOLDER OF THIS SECURITIZATION BOND HEREBY COVENANTS AND AGREES THAT PRIOR TO THE DATE THAT IS ONE YEAR AND ONE DAY AFTER THE PAYMENT IN FULL OF THIS SECURITIZATION BOND, IT WILL NOT INSTITUTE AGAINST, OR JOIN ANY OTHER PERSON IN INSTITUTING AGAINST, THE ISSUER ANY BANKRUPTCY, REORGANIZATION, ARRANGEMENT, INSOLVENCY OR LIQUIDATION PROCEEDINGS OR OTHER SIMILAR PROCEEDING UNDER THE LAWS OF THE UNITED STATES OR ANY STATE OF THE UNITED STATES. NOTHING IN THIS PARAGRAPH SHALL PRECLUDE, OR BE DEEMED TO ESTOP, SUCH HOLDER (A) FROM TAKING OR OMITTING TO TAKE ANY ACTION PRIOR TO SUCH DATE IN (I) ANY CASE OR PROCEEDING VOLUNTARILY FILED OR COMMENCED BY OR ON BEHALF OF THE ISSUER UNDER OR PURSUANT TO ANY SUCH LAW OR (II) ANY INVOLUNTARY CASE OR PROCEEDING PERTAINING TO THE ISSUER THAT IS FILED OR COMMENCED BY OR ON BEHALF OF A PERSON OTHER THAN SUCH HOLDER AND IS NOT JOINED IN BY SUCH HOLDER (OR ANY PERSON TO WHICH SUCH HOLDER SHALL HAVE ASSIGNED, TRANSFERRED OR OTHERWISE CONVEYED ANY PART OF THE OBLIGATIONS OF THE ISSUER HEREUNDER) UNDER OR PURSUANT TO ANY SUCH LAW OR (B) FROM COMMENCING OR PROSECUTING ANY LEGAL ACTION THAT IS NOT AN INVOLUNTARY CASE OR PROCEEDING UNDER OR PURSUANT TO ANY SUCH LAW AGAINST THE ISSUER OR ANY OF ITS PROPERTIES.

THIS SECURITIZATION BOND IS NOT A DEBT OR OBLIGATION OF THE STATE OF MICHIGAN AND IS NOT A CHARGE ON THE FULL FAITH AND CREDIT OR TAXING POWER OF THE STATE OF MICHIGAN. NEITHER CONSUMERS ENERGY COMPANY NOR ANY OF ITS AFFILIATES WILL GUARANTEE OR INSURE THIS SECURITIZATION BOND. NO FINANCING ORDER AUTHORIZING THE ISSUANCE OF THIS SECURITIZATION BOND UNDER THE STATUTE WILL DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OF MICHIGAN OR ANY COUNTY, MUNICIPALITY OR OTHER POLITICAL SUBDIVISION OF THE STATE OF MICHIGAN TO LEVY OR TO PLEDGE ANY FORM OF TAXATION FOR THIS SECURITIZATION BOND OR TO MAKE ANY APPROPRIATION FOR ITS PAYMENT.

CONSUMERS 2023 SECURITIZATION FUNDING LLC
SENIOR SECURED SECURITIZATION BONDS, SERIES 2023A, TRANCHE {__}

SECURITIZATION BOND INTEREST RATE	ORIGINAL PRINCIPAL AMOUNT	SCHEDULED FINAL PAYMENT DATE	FINAL MATURITY DATE
{____}%	$\{_____\}	{_____}	{_____}

Consumers 2023 Securitization Funding LLC, a limited liability company created under the laws of the State of Delaware (herein referred to as the "Issuer"), for value received, hereby promises to pay to {_____}, or registered assigns, the Original Principal Amount shown above in semi-annual installments on the Payment Dates and in the amounts specified below or, if less, the amounts determined pursuant to Section 8.02 of the Indenture, in each year, commencing on the date determined as provided below and ending on or before the Final Maturity Date shown above and to pay interest, at the Securitization Bond Interest Rate shown above, on each {_____} and {_____} or, if any such day is not a Business Day, the next Business Day, commencing on {_____}, 20{__} and continuing until the earlier of the payment in full of the principal hereof and the Final Maturity Date (each, a "Payment Date"), on the principal amount of this Securitization Bond. Interest on this Securitization Bond will accrue for each Payment Date from the most recent Payment Date on which interest has been paid to but excluding such Payment Date or, if no interest has yet been paid, from the date of issuance. Interest will be computed on the basis of {_____}. Such principal of and interest on this Securitization Bond shall be paid in the manner specified below.

The principal of and interest on this Securitization Bond are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. All payments made by the Issuer with respect to this Securitization Bond shall be applied first to interest due and payable on this Securitization Bond as provided above and then to the unpaid principal of and premium, if any, on this Securitization Bond, all in the manner set forth in the Indenture.

Unless the certificate of authentication hereon has been executed by the Indenture Trustee whose name appears below by manual, electronic or facsimile signature, this Securitization Bond shall not be entitled to any benefit under the Indenture referred to below or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Issuer has caused this instrument to be signed, manually, electronically or in facsimile, by its Responsible Officer.

Date: {_____}, 20{__}

CONSUMERS 2023 SECURITIZATION FUNDING LLC,
as Issuer

By: _____
Name:
Title:

INDENTURE TRUSTEE'S CERTIFICATE OF AUTHENTICATION

Dated: {_____}, 20{__}

This is one of the Tranche {__} Senior Secured Securitization Bonds, Series 2023A, designated above and referred to in the within-mentioned Indenture.

THE BANK OF NEW YORK MELLON,
as Indenture Trustee

By: _____
Name:
Title:

This Senior Secured Securitization Bond, Series 2023A is one of a duly authorized issue of Senior Secured Securitization Bonds, Series 2023A of the Issuer (herein called the "Bonds"), which Bonds are issuable in one or more Tranches. The Bonds consist of {__} Tranches, including the Tranche {__} Senior Secured Securitization Bonds, Series 2023A, which include this Senior Secured Securitization Bond, Series 2023A (herein called the "Securitization Bonds"), all issued and to be issued under that certain Indenture dated as of December 12, 2023 (as supplemented by the Series Supplement (as defined below), the "Indenture"), between the Issuer and The Bank of New York Mellon, in its capacity as indenture trustee (the "Indenture Trustee", which term includes any successor indenture trustee under the Indenture) and in its separate capacities as a securities intermediary (the "Securities Intermediary", which term includes any successor securities intermediary under the Indenture) and as an account bank (the "Account Bank", which term includes any successor account bank under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights and obligations thereunder of the Issuer, the Indenture Trustee and the Holders of the Bonds. For purposes herein, "Series Supplement" means that certain Series Supplement dated as of December 12, 2023 between the Issuer and the Indenture Trustee. All terms used in this Securitization Bond that are defined in the Indenture, as amended, restated, supplemented or otherwise modified from time to time, shall have the meanings assigned to such terms in the Indenture.

All Tranches of Bonds are and will be equally and ratably secured by the Securitization Bond Collateral pledged as security therefor as provided in the Indenture.

The principal of this Securitization Bond shall be payable on each Payment Date only to the extent that amounts in the Collection Account are available therefor, and only until the outstanding principal balance thereof on the preceding Payment Date (after giving effect to all payments of principal, if any, made on the preceding Payment Date) has been reduced to the principal balance specified in the Expected Amortization Schedule that is attached to the Series Supplement as Schedule A, unless payable earlier because an Event of Default shall have occurred and be continuing and the Indenture Trustee or the Holders representing a majority of the Outstanding Amount of the Bonds have declared the Bonds to be immediately due and payable in accordance with Section 5.02 of the Indenture (unless such declaration shall have been rescinded and annulled in accordance with Section 5.02 of the Indenture). However, actual principal payments may be made in lesser than expected amounts and at later than expected times as determined pursuant to Section 8.02 of the Indenture. The entire unpaid principal amount of this Securitization Bond shall be due and payable on the Final Maturity Date hereof. Notwithstanding the foregoing, the entire unpaid principal amount of the Bonds shall be due and payable, if not then previously paid, on the date on which an Event of Default shall have occurred and be continuing and the Indenture Trustee or the Holders of the Bonds representing a majority of the Outstanding Amount of the Bonds have declared the Securitization Bonds to be immediately due and payable in the manner provided in Section 5.02 of the Indenture (unless such declaration shall have been rescinded and annulled in accordance with Section 5.02 of the Indenture). All principal payments on the Securitization Bonds shall be made pro rata to the Holders of the Securitization Bonds entitled thereto based on the respective principal amounts of the Securitization Bonds held by them.

Payments of interest on this Securitization Bond due and payable on each Payment Date, together with the installment of principal or premium, if any, shall be made by check mailed first-class, postage prepaid, to the Person whose name appears as the Registered Holder of this Securitization Bond (or one or more Predecessor Securitization Bonds) on the Securitization Bond Register as of the close of business on the Record Date or in such other manner as may be provided in the Indenture or the Series Supplement, except that (a) upon application to the Indenture Trustee by any Holder owning a Global Securitization Bond evidencing this Securitization Bond not later than the applicable Record Date, payment will be made by wire transfer to an account maintained by such Holder, and (b) if this Securitization Bond is held in Book-Entry Form, payments will be made by wire transfer in immediately available funds to the account designated by the Holder of the applicable Global Securitization Bond evidencing this Securitization Bond unless and until such Global Securitization Bond is exchanged for Definitive Securitization Bonds (in which event payments shall be made as provided above) and except for the final installment of principal and premium, if any, payable with respect to this Securitization Bond on a Payment Date, which shall be payable as provided below. Such checks shall be mailed to the Person entitled thereto at the address of such Person as it appears on the Securitization Bond Register as of the applicable Record Date without requiring that this Securitization Bond be submitted for notation of payment. Any reduction in the principal amount of this Securitization Bond (or any one or more Predecessor Securitization Bonds) effected by any payments made on any Payment Date shall be binding upon all future Holders of this Securitization Bond and of any Securitization Bond issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof, whether or not noted hereon. If funds are expected to be available, as provided in the Indenture, for payment in full of the then-remaining unpaid principal amount of this Securitization Bond on a Payment Date, then the Indenture Trustee, in the name of and on behalf of the Issuer, will notify the Person who was the Registered Holder hereof as of the Record Date preceding such Payment Date by notice mailed no later than five days prior to such final Payment Date and shall specify that such final installment will be payable only upon presentation and surrender of this Securitization Bond and shall specify the place where this Securitization Bond may be presented and surrendered for payment of such installment.

The Issuer shall pay interest on overdue installments of interest at the Securitization Bond Interest Rate to the extent lawful.

This Securitization Bond is a "securitization bond" as such term is defined in the Statute. Principal and interest due and payable on this Securitization Bond are payable from and secured primarily by Securitization Property created and established by the Financing Order obtained from the Commission pursuant to the Statute. Securitization Property consists of the rights and interests of the Seller in the Financing Order, including the right to impose, collect and receive Securitization Charges, the right to obtain True-Up Adjustments and all revenue, collections, payments, moneys and proceeds arising out of the rights and interests created under the Financing Order and the Statute.

Under the laws of the State of Michigan in effect on the Closing Date, pursuant to Section 10n(2) of the Statute, the State of Michigan has pledged for the benefit and protection of the Holders, the Indenture Trustee, other Persons acting for the benefit of the Holders and Consumers Energy that the State of Michigan will not take or permit any action that impairs the value of Securitization Property, reduce or alter, except as allowed under Section 10k(3) of the Statute, or impair Securitization Charges to be imposed, collected and remitted to the Holders, the Indenture Trustee and other Persons acting for the benefit of the Holders, until any principal, interest and premium in respect of Securitization Bonds, and any other charges incurred and contracts to be performed, in connection with Securitization Bonds have been paid or performed in full.

The Issuer hereby acknowledges that the purchase of this Securitization Bond by the Holder hereof or the purchase of any beneficial interest herein by any Person are made in reliance on the foregoing pledge.

As provided in the Indenture and subject to certain limitations set forth therein, the transfer of this Securitization Bond may be registered on the Securitization Bond Register upon surrender of this Securitization Bond for registration of transfer at the office or agency designated by the Issuer pursuant to the Indenture, duly endorsed by, or accompanied by, (a) a written instrument of transfer in form satisfactory to the Indenture Trustee duly executed by the Holder hereof or such Holder's attorney duly authorized in writing, with such signature guaranteed by an institution that is a member of (i) The Securities Transfer Agent Medallion Program (STAMP), (ii) The New York Stock Exchange Medallion Program (MSP) or (iii) The Stock Exchange Medallion Program (SEMP), or such other signature guaranty program acceptable to the Indenture Trustee, and (b) such other documents as the Indenture Trustee may require, and thereupon one or more new Securitization Bonds of Authorized Denominations and in the same aggregate principal amount will be issued to the designated transferee or transferees. No service charge will be charged for any registration of transfer or exchange of this Securitization Bond, but the transferor may be required to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any such registration of transfer or exchange, other than exchanges pursuant to Section 2.04 or Section 2.06 of the Indenture not involving any transfer.

Each Holder, by acceptance of a Securitization Bond, covenants and agrees that no recourse may be taken, directly or indirectly, with respect to the obligations of the Issuer or the Indenture Trustee on the Securitization Bonds or under the Indenture or any certificate or other writing delivered in connection therewith, against (a) any owner of a membership interest in the Issuer (including Consumers Energy) or (b) any shareholder, partner, owner, beneficiary, agent, officer, director or employee of the Indenture Trustee, the Managers or any owner of a membership interest in the Issuer (including Consumers Energy) in its respective individual or corporate capacities, or of any successor or assign of any of them in their individual or corporate capacities, except as any such Person may have expressly agreed in writing. Each Holder by accepting a Securitization Bond specifically confirms the nonrecourse nature of these obligations and waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Securitization Bonds.

Prior to the due presentment for registration of transfer of this Securitization Bond, the Issuer, the Indenture Trustee and any agent of the Issuer or the Indenture Trustee may treat the Person in whose name this Securitization Bond is registered (as of the day of determination) as the owner hereof for the purpose of receiving payments of principal of and premium, if any, and interest on this Securitization Bond and for all other purposes whatsoever, whether or not this Securitization Bond be overdue, and none of the Issuer, the Indenture Trustee or any such agent shall be affected by notice to the contrary.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Issuer and the rights of the Holders of the Securitization Bonds under the Indenture at any time by the Issuer with the consent of the Holders representing a majority of the Outstanding Amount of all Securitization Bonds at the time outstanding of each Tranche to be affected. The Indenture also contains provisions permitting the Holders representing specified percentages of the Outstanding Amount of the Securitization Bonds, on behalf of the Holders of all the Securitization Bonds, to waive compliance by the Issuer with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Securitization Bond (or any one of more Predecessor Securitization Bonds) shall be conclusive and binding upon such Holder and upon all future Holders of this Securitization Bond and of any Securitization Bond issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent or waiver is made upon this Securitization Bond. The Indenture also permits the Indenture Trustee to amend or waive certain terms and conditions set forth in the Indenture without the consent of Holders of the Securitization Bonds issued thereunder.

The Indenture contains provisions for defeasance at any time of (a) the entire indebtedness of the Issuer on this Securitization Bond and (b) certain restrictive covenants and the related Events of Default, upon compliance by the Issuer with certain conditions set forth in the Indenture, which provisions apply to this Securitization Bond.

The term "Issuer" as used in this Securitization Bond includes any successor to the Issuer under the Indenture.

The Issuer is permitted by the Indenture, under certain circumstances, to merge or consolidate, subject to the rights of the Indenture Trustee and the Holders under the Indenture.

The Securitization Bonds are issuable only in registered form in denominations as provided in the Indenture and the Series Supplement subject to certain limitations therein set forth.

This Securitization Bond, the Indenture and the Series Supplement shall be construed in accordance with the laws of the State of New York, without reference to its conflict of law provisions (other than Section 5-1401 of the New York General Obligations Law and Sections 9-301 through 9-306 of the NY UCC), and the obligations, rights and remedies of the parties hereunder and thereunder shall be determined in accordance with such laws; provided, that the creation, attachment and perfection of any Liens created under the Indenture in Securitization Property, and all rights and remedies of the Indenture Trustee and the Holders with respect to the Securitization Property, shall be governed by the laws of the State of Michigan.

No reference herein to the Indenture and no provision of this Securitization Bond or of the Indenture shall alter or impair the obligation, which is absolute and unconditional, to pay the principal of and interest on this Securitization Bond at the times, place and rate and in the coin or currency herein prescribed.

The Issuer and the Indenture Trustee, by entering into the Indenture, and the Holders and any Persons holding a beneficial interest in any Securitization Bond, by acquiring any Securitization Bond or interest therein, (a) express their intention that, solely for the purpose of U.S. federal taxes and, to the extent consistent with applicable State, local and other tax law, solely for the purpose of State, local and other taxes, the Securitization Bonds qualify under applicable tax law as indebtedness of the sole owner of the Issuer secured by the Securitization Bond Collateral and (b) solely for purposes of U.S. federal taxes and, to the extent consistent with applicable State, local and other tax law, solely for purposes of State, local and other taxes, so long as any of the Securitization Bonds are outstanding, agree to treat the Securitization Bonds as indebtedness of the sole owner of the Issuer secured by the Securitization Bond Collateral unless otherwise required by appropriate taxing authorities.

ABBREVIATIONS

The following abbreviations, when used above on this Securitization Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM	as tenants in common
TEN ENT	as tenants by the entireties
JT TEN	as joint tenants with right of survivorship and not as tenants in common
UNIF GIFT MIN ACT	_____ (Custodian) Custodian _____ (minor)
	Under Uniform Gifts to Minor Act (_____) (State)

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT

Social Security or taxpayer I.D. or other identifying number of assignee _____

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

_____

(name and address of assignee)

the within Securitization Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to transfer said Securitization Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____ _____

Signature Guaranteed:

_____

The signature to this assignment must correspond with the name of the registered owner as it appears on the within Securitization Bond in every particular, without alteration, enlargement or any change whatsoever.

NOTE: Signature(s) must be guaranteed by an institution that is a member of: (i) The Securities Transfer Agent Medallion Program (STAMP); (ii) The New York Stock Exchange Medallion Program (MSP); (iii) the Stock Exchange Medallion Program (SEMP); or (iv) such other signature guaranty program acceptable to the Indenture Trustee.

EXHIBIT B

FORM OF SERIES SUPPLEMENT

See attached.

This SERIES SUPPLEMENT, dated as of December 12, 2023 (this "Supplement"), is by and between Consumers 2023 Securitization Funding LLC, a limited liability company created under the laws of the State of Delaware (the "Issuer"), and The Bank of New York Mellon, a New York banking corporation ("Bank"), in its capacity as indenture trustee (the "Indenture Trustee") for the benefit of the Secured Parties under the Indenture dated as of December 12, 2023, by and between the Issuer and The Bank of New York Mellon, in its capacity as Indenture Trustee and in its separate capacities as a securities intermediary and an account bank (the "Indenture").

PRELIMINARY STATEMENT

Section 9.01 of the Indenture provides, among other things, that the Issuer and the Indenture Trustee may at any time enter into an indenture supplemental to the Indenture for the purposes of authorizing the issuance by the Issuer of the Securitization Bonds and specifying the terms thereof. The Issuer has duly authorized the creation of the Securitization Bonds with an initial aggregate principal amount of ${_____} to be known as Senior Secured Securitization Bonds, Series 2023A (the "Securitization Bonds"), and the Issuer and the Indenture Trustee are executing and delivering this Supplement in order to provide for the Securitization Bonds.

All terms used in this Supplement that are defined in the Indenture, either directly or by reference therein, have the meanings assigned to them therein, except to the extent such terms are defined or modified in this Supplement or the context clearly requires otherwise. In the event that any term or provision contained herein shall conflict with or be inconsistent with any term or provision contained in the Indenture, the terms and provisions of this Supplement shall govern.

GRANTING CLAUSE

With respect to the Securitization Bonds, the Issuer hereby Grants to the Indenture Trustee, as Indenture Trustee for the benefit of the Secured Parties of the Securitization Bonds, all of the Issuer's right, title and interest (whether now owned or hereafter acquired or arising) in and to (a) the Securitization Property created under and pursuant to the Financing Order and the Statute, and transferred by the Seller to the Issuer pursuant to the Sale Agreement (including, to the fullest extent permitted by law, the right to impose, collect and receive the Securitization Charges, the right to obtain periodic adjustments to the Securitization Charges, and all revenue, collections, payments, money and proceeds arising out of the rights and interests created under the Financing Order), (b) all Securitization Charges related to the Securitization Property, (c) the Sale Agreement and the Bill of Sale executed in connection therewith and all property and interests in property transferred under the Sale Agreement and the Bill of Sale with respect to the Securitization Property and the Securitization Bonds, (d) the Servicing Agreement, the Administration Agreement, the Intercreditor Agreement and any subservicing, agency, administration or collection agreements executed in connection therewith, to the extent related to the foregoing Securitization Property and the Securitization Bonds, (e) the Collection Account, all subaccounts thereof and all amounts of cash, instruments, investment property or other assets on deposit therein or credited thereto from time to time and all financial assets and securities entitlements carried therein or credited thereto, (f) all rights to compel the Servicer to file for and obtain periodic adjustments to the Securitization Charges in accordance with Section 10k(3) of the Statute, the Financing Order or any Securitization Rate Schedule filed in connection therewith, (g) all present and future claims, demands, causes and choses in action in respect of any or all of the foregoing, whether such claims, demands, causes and choses in action constitute Securitization Property, accounts, general intangibles, instruments, contract rights, chattel paper or proceeds of such items or any other form of property, (h) all accounts, chattel paper, deposit accounts, documents, general intangibles, goods, instruments, investment property, letters of credit, letters-of-credit rights, money, commercial tort claims and supporting obligations related to the foregoing, and (i) all payments on or under, and all proceeds in respect of, any or all of the foregoing, **it being understood that the following do not constitute Securitization Bond Collateral**: (x) cash that has been released pursuant to the terms of the Indenture, including Section 8.02(e)(x) of the Indenture and, following retirement of all Outstanding Securitization Bonds, pursuant to Section 8.02(e)(xii) of the Indenture or (y) amounts deposited with the Issuer on the Closing Date, for payment of costs of issuance with respect to the Securitization Bonds (together with any interest earnings thereon), it being understood that such amounts described in clause (x) and clause (y) above shall not be subject to Section 3.17 of the Indenture.

The foregoing Grant is made in trust to secure the Secured Obligations equally and ratably without prejudice, priority or distinction, except as expressly provided in the Indenture, to secure compliance with the provisions of the Indenture with respect to the Securitization Bonds, all as provided in the Indenture and to secure the performance by the Issuer of all of its obligations under the Indenture. The Indenture and this Supplement constitute a security agreement within the meaning of the Statute and under the UCC to the extent that the provisions of the UCC are applicable hereto.

The Indenture Trustee, as indenture trustee on behalf of the Secured Parties of the Securitization Bonds, acknowledges such Grant and accepts the trusts under this Supplement and the Indenture in accordance with the provisions of this Supplement and the Indenture.

SECTION 1. Designation. The Securitization Bonds shall be designated generally as the Senior Secured Securitization Bonds, Series 2023A{, and further denominated as Tranches {__} through {__}}.

SECTION 2. Initial Principal Amount; Securitization Bond Interest Rate; Scheduled Final Payment Date; Final Maturity Date. The Securitization Bonds {of each Tranche} shall have the initial principal amount, bear interest at the rates per annum (the "Securitization Bond Interest Rate") and shall have the Scheduled Final Payment Dates and the Final Maturity Dates set forth below:

{Tranche}	Initial Principal Amount	Securitization Bond Interest Rate	Scheduled Final Payment Date	Final Maturity Date
{__}	${_____}	{____}%	{_____}, 20{__}	{_____}, 20{__}
{__}	${_____}	{____}%	{_____}, 20{__}	{_____}, 20{__}
{__}	${_____}	{____}%	{_____}, 20{__}	{_____}, 20{__}

The Securitization Bond Interest Rate shall be computed on the basis of a 360-day year of twelve 30-day months.

SECTION 3. Authentication Date; Payment Dates; Expected Amortization Schedule for Principal; Periodic Interest; Book-Entry Securitization Bonds; Waterfall Caps.

(a) Authentication Date. The Securitization Bonds that are authenticated and delivered by the Indenture Trustee to or upon the order of the Issuer on December 12, 2023 (the "Closing Date") shall have as their date of authentication December 12, 2023.

(b) Payment Dates. The "Payment Dates" for the Securitization Bonds are {_____} and {_____} of each year or, if any such date is not a Business Day, the next Business Day, commencing on {_____}, 20{__} and continuing until the earlier of repayment of the Securitization Bonds in full and the Final Maturity Date.

(c) Expected Amortization Schedule for Principal. Unless an Event of Default shall have occurred and be continuing, on each Payment Date, the Indenture Trustee shall distribute to the Holders of record as of the related Record Date amounts payable pursuant to Section 8.02(e) of the Indenture as principal, in the following order and priority: {(1) to the Holders of the Tranche {__} Securitization Bonds, until the Outstanding Amount of such Tranche of Securitization Bonds thereof has been reduced to zero; (2) to the Holders of the Tranche {__} Securitization Bonds, until the Outstanding Amount of such Tranche of Securitization Bonds thereof has been reduced to zero; and (3) to the Holders of the Tranche {__} Securitization Bonds, until the Outstanding Amount of such Tranche of Securitization Bonds thereof has been reduced to zero; provided, however, that in no event shall a principal payment pursuant to this Section 3(c) on any Tranche on a Payment Date be greater than the amount necessary to reduce the Outstanding Amount of such Tranche of Securitization Bonds to the amount specified in the Expected Amortization Schedule that is attached as Schedule A hereto for such Tranche and Payment Date}.

(d) Periodic Interest. "Periodic Interest" will be payable on {each Tranche of} the Securitization Bonds on each Payment Date in an amount equal to one-half of the product of (i) the applicable Securitization Bond Interest Rate and (ii) the Outstanding Amount of the {related Tranche of} Securitization Bonds as of the close of business on the preceding Payment Date after giving effect to all payments of principal made to the Holders of the {related Tranche of} Securitization Bonds on such preceding Payment Date; provided, however, that, with respect to the initial Payment Date, or if no payment has yet been made, interest on the outstanding principal balance will accrue from and including the Closing Date to, but excluding, the following Payment Date.

(e) Book-Entry Securitization Bonds. The Securitization Bonds shall be Book-Entry Securitization Bonds, and the applicable provisions of Section 2.11 of the Indenture shall apply to the Securitization Bonds.

(f) Indenture Trustee Cap. The amount payable with respect to the Securitization Bonds pursuant to Section 8.02(e)(i) of the Indenture shall not exceed ${_____} annually; provided, however, that the Indenture Trustee Cap shall be disregarded and inapplicable upon the acceleration of the Securitization Bonds following the occurrence of an Event of Default.

SECTION 4. Authorized Denominations. The Securitization Bonds shall be issuable in denominations of {$2,000 and integral multiples of $1,000 in excess thereof}, except for one Securitization Bond {of each Tranche}, which may be a smaller denomination (the "Authorized Denominations").

SECTION 5. Delivery and Payment for the Securitization Bonds; Form of the Securitization Bonds. The Indenture Trustee shall deliver the Securitization Bonds to the Issuer when authenticated in accordance with Section 2.03 of the Indenture. The Securitization Bonds {of each Tranche} shall be in the form of Exhibit{s} {__} hereto.

SECTION 6. Ratification of Indenture. As supplemented by this Supplement, the Indenture is in all respects ratified and confirmed and the Indenture, as so supplemented by this Supplement, shall be read, taken and construed as one and the same instrument. This Supplement amends, modifies and supplements the Indenture only insofar as it relates to the Securitization Bonds.

SECTION 7. Counterparts. This Supplement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all of such counterparts shall together constitute but one and the same instrument. The Issuer and Indenture Trustee agree that this Supplement may be electronically signed, that any digital or electronic signatures (including pdf, facsimile or electronically imaged signatures provided by DocuSign or any other digital signature provider as specified in writing to the Indenture Trustee) appearing on this Supplement are the same as handwritten signatures for the purposes of validity, enforceability and admissibility, and that delivery of any such electronic signature to, or a signed copy of, this Supplement may be made by facsimile, email or other electronic transmission. The Issuer agrees to assume all risks arising out of the use of digital signatures and electronic methods of submitting such signatures to the Indenture Trustee, including the risk of the Indenture Trustee acting upon documents with unauthorized signatures and the risk of interception and misuse by third parties.

SECTION 8. Governing Law. **This Supplement shall be governed by and construed in accordance with the laws of the State of New York, without reference to its conflict of law provisions (other than Section 5-1401 of the New York General Obligations Law and Sections 9-301 through 9-306 of the NY UCC), and the obligations, rights and remedies of the parties hereunder shall be determined in accordance with such laws; provided, that, except as set forth in Section 8.02(b) of the Indenture, the creation, attachment and perfection of any Liens created under the Indenture in Securitization Property, and all rights and remedies of the Indenture Trustee and the Holders with respect to the Securitization Property, shall be governed by the laws of the State of Michigan.**

SECTION 9. Issuer Obligation. No recourse may be taken directly or indirectly by the Holders with respect to the obligations of the Issuer on the Securitization Bonds, under the Indenture or this Supplement or any certificate or other writing delivered in connection herewith or therewith, against (a) any owner of a beneficial interest in the Issuer (including Consumers Energy) or (b) any shareholder, partner, owner, beneficiary, officer, director, employee or agent of the Indenture Trustee, the Managers or any owner of a beneficial interest in the Issuer (including Consumers Energy) in its individual capacity, or of any successor or assign of any of them in their respective individual or corporate capacities, except as any such Person may have expressly agreed. Each Holder by accepting a Securitization Bond specifically confirms the nonrecourse nature of these obligations and waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Securitization Bonds.

SECTION 10. Indenture Trustee Disclaimer. The Indenture Trustee is not responsible for the validity or sufficiency of this Supplement or for the recitals contained herein.

SECTION 11. Submission to Non-Exclusive Jurisdiction; Waiver of Jury Trial. **Each of the Issuer and the Indenture Trustee hereby irrevocably submits to the non-exclusive jurisdiction of any New York State court sitting in The Borough of Manhattan in The City of New York or any U.S. federal court sitting in The Borough of Manhattan in The City of New York in respect of any suit, action or proceeding arising out of or relating to this Supplement and the Securitization Bonds and irrevocably accepts for itself and in respect of its respective property, generally and unconditionally, jurisdiction of the aforesaid courts. Each of the Issuer and the Indenture Trustee irrevocably waives, to the fullest extent that it may effectively do so under applicable law, trial by jury.**

IN WITNESS WHEREOF, the Issuer and the Indenture Trustee have caused this Supplement to be duly executed by their respective officers thereunto duly authorized as of the day and year first above written.

CONSUMERS 2023 SECURITIZATION FUNDING LLC,
as Issuer

By: _____
Name:
Title:

THE BANK OF NEW YORK MELLON,
as Indenture Trustee

By: _____
Name:
Title:

SCHEDULE A
TO SERIES SUPPLEMENT

EXPECTED AMORTIZATION SCHEDULE

OUTSTANDING PRINCIPAL BALANCE

Date	Tranche {__}	Tranche {__}	Tranche {__}
Closing Date	${_____}	${_____}	${_____}
{_____}, 20{__}	${_____}	${_____}	${_____}
{_____}, 20{__}	${_____}	${_____}	${_____}
{_____}, 20{__}	${_____}	${_____}	${_____}

EXHIBIT {__}
TO SERIES SUPPLEMENT

FORM OF {TRANCHE {__} OF} SECURITIZATION BONDS

{_____}

EXHIBIT C

SERVICING CRITERIA TO BE ADDRESSED
BY INDENTURE TRUSTEE IN ASSESSMENT OF COMPLIANCE

Regulation AB Reference	Servicing Criteria	Applicable Indenture Trustee Responsibility
	General Servicing Considerations	
1122(d)(1)(i)	Policies and procedures are instituted to monitor any performance or other triggers and events of default in accordance with the transaction agreements.	
1122(d)(1)(ii)	If any material servicing activities are outsourced to third parties, policies and procedures are instituted to monitor the third party's performance and compliance with such servicing activities.	
1122(d)(1)(iii)	Any requirements in the transaction agreements to maintain a back-up servicer for the pool assets are maintained.	
1122(d)(1)(iv)	A fidelity bond and errors and omissions policy is in effect on the party participating in the servicing function throughout the reporting period in the amount of coverage required by and otherwise in accordance with the terms of the transaction agreements.	
1122(d)(1)(v)	Aggregation of information, as applicable, is mathematically accurate and the information conveyed accurately reflects the information.	
	Cash Collection and Administration	
1122(d)(2)(i)	Payments on pool assets are deposited into the appropriate custodial bank accounts and related bank clearing accounts no more than two business days of receipt, or such other number of days specified in the transaction agreements.	**X**
1122(d)(2)(ii)	Disbursements made via wire transfer on behalf of an obligor or to an investor are made only by authorized personnel.	**X**
1122(d)(2)(iii)	Advances of funds or guarantees regarding collections, cash flows or distributions, and any interest or other fees charged for such advances, are made, reviewed and approved as specified in the transaction agreements.	
1122(d)(2)(iv)	The related accounts for the transaction, such as cash reserve accounts or accounts established as a form of overcollateralization, are separately maintained (e.g., with respect to commingling of cash) as set forth in the transaction agreements.	**X**
1122(d)(2)(v)	Each custodial account is maintained at a federally insured depository institution as set forth in the transaction agreements. For purposes of this criterion, "federally insured depository institution" with respect to a foreign financial institution means a foreign financial institution that meets the requirements of Rule 13k-1(b)(1) under the Exchange Act.	**X**
1122(d)(2)(vi)	Unissued checks are safeguarded so as to prevent unauthorized access.	
1122(d)(2)(vii)	Reconciliations are prepared on a monthly basis for all asset-backed securities related bank accounts, including custodial accounts and related bank clearing accounts. These reconciliations are: (A) mathematically accurate; (B) prepared within 30 calendar days after the bank statement cutoff date, or such other number of days specified in the transaction agreements; (C) reviewed and approved by someone other than the person who prepared the reconciliation; and (D) contain explanations for reconciling items. These reconciling items are resolved within 90 calendar days of their original identification, or such other number of days specified in the transaction agreements.	
	Investor Remittances and Reporting	
1122(d)(3)(i)	Reports to investors, including those to be filed with the SEC, are maintained in accordance with the transaction agreements and applicable SEC requirements. Specifically, such reports: (A) are prepared in accordance with timeframes and other terms set forth in the transaction agreements; (B) provide information calculated in accordance with the terms specified in the transaction agreements; (C) are filed with the SEC as required by its rules and regulations; and (D) agree with investors' or the trustee's records as to the total unpaid principal balance and number of pool assets serviced by the servicer.	
1122(d)(3)(ii)	Amounts due to investors are allocated and remitted in accordance with timeframes, distribution priority and other terms set forth in the transaction agreements.	**X**
1122(d)(3)(iii)	Disbursements made to an investor are posted within two business days to the servicer's investor records, or such other number of days specified in the transaction agreements.	**X**

Regulation AB Reference	Servicing Criteria	Applicable Indenture Trustee Responsibility
1122(d)(3)(iv)	Amounts remitted to investors per the investor reports agree with cancelled checks, or other form of payment, or custodial bank statements.	**X**
	Pool Asset Administration	
1122(d)(4)(i)	Collateral or security on pool assets is maintained as required by the transaction agreements or related pool asset documents.	
1122(d)(4)(ii)	Pool assets and related documents are safeguarded as required by the transaction agreements.	
1122(d)(4)(iii)	Any additions, removals or substitutions to the asset pool are made, reviewed and approved in accordance with any conditions or requirements in the transaction agreements.	
1122(d)(4)(iv)	Payments on pool assets, including any payoffs, made in accordance with the related pool asset documents are posted to the servicer's obligor records maintained no more than two business days after receipt, or such other number of days specified in the transaction agreements, and allocated to principal, interest or other items (e.g., escrow) in accordance with the related pool asset documents.	
1122(d)(4)(v)	The servicer's records regarding the pool assets agree with the servicer's records with respect to an obligor's unpaid principal balance.	
1122(d)(4)(vi)	Changes with respect to the terms or status of an obligor's pool assets (e.g., loan modifications or re-agings) are made, reviewed and approved by authorized personnel in accordance with the transaction agreements and related pool asset documents.	
1122(d)(4)(vii)	Loss mitigation or recovery actions (e.g., forbearance plans, modifications and deeds in lieu of foreclosure, foreclosures and repossessions, as applicable) are initiated, conducted and concluded in accordance with the timeframes or other requirements established by the transaction agreements.	
1122(d)(4)(viii)	Records documenting collection efforts are maintained during the period a pool asset is delinquent in accordance with the transaction agreements. Such records are maintained on at least a monthly basis, or such other period specified in the transaction agreements, and describe the entity's activities in monitoring delinquent pool assets, including, for example, phone calls, letters and payment rescheduling plans in cases where delinquency is deemed temporary (e.g., illness or unemployment).	
1122(d)(4)(ix)	Adjustments to interest rates or rates of return for pool assets with variable rates are computed based on the related pool asset documents.	
1122(d)(4)(x)	Regarding any funds held in trust for an obligor (such as escrow accounts): (A) such funds are analyzed, in accordance with the obligor's pool asset documents, on at least an annual basis, or such other period specified in the transaction agreements; (B) interest on such funds is paid, or credited, to obligors in accordance with applicable pool asset documents and state laws; and (C) such funds are returned to the obligor within 30 calendar days of full repayment of the related pool assets, or such other number of days specified in the transaction agreements.	
1122(d)(4)(xi)	Payments made on behalf of an obligor (such as tax or insurance payments) are made on or before the related penalty or expiration dates, as indicated on the appropriate bills or notices for such payments, provided that such support has been received by the servicer at least 30 calendar days prior to these dates, or such other number of days specified in the transaction agreements.	
1122(d)(4)(xii)	Any late payment penalties in connection with any payment to be made on behalf of an obligor are paid from the servicer's funds and not charged to the obligor, unless the late payment was due to the obligor's error or omission.	
1122(d)(4)(xiii)	Disbursements made on behalf of an obligor are posted within two business days to the obligor's records maintained by the servicer, or such other number of days specified in the transaction agreements.	
1122(d)(4)(xiv)	Delinquencies, charge-offs and uncollectible accounts are recognized and recorded in accordance with the transaction agreements.	
1122(d)(4)(xv)	Any external enhancement or other support, identified in Item 1114(a)(1) through (3) or Item 1115 of Regulation AB, is maintained as set forth in the transaction agreements.	

APPENDIX A

DEFINITIONS AND RULES OF CONSTRUCTION

A. Defined Terms. The following terms have the following meanings:

"17g-5 Website" is defined in Section 10.18 of the Indenture.

"Account Bank" means The Bank of New York Mellon, a New York banking corporation, solely in the capacity of a "bank" as defined in the NY UCC or any successor account bank under the Indenture.

"Account Records" is defined in Section 1(a)(i) of the Administration Agreement.

"Act" is defined in Section 10.03(a) of the Indenture.

"Additional Interim True-Up Adjustment" means any Interim True-Up Adjustment made pursuant to Section 4.01(b)(iii) of the Servicing Agreement.

"Administration Agreement" means the Administration Agreement, dated as of the Closing Date, by and between Consumers Energy and the Issuer.

"Administration Fee" is defined in Section 2 of the Administration Agreement.

"Administrator" means Consumers Energy, as Administrator under the Administration Agreement, or any successor Administrator to the extent permitted under the Administration Agreement.

"Affiliate" means, with respect to any specified Person, any other Person controlling or controlled by or under common control with such specified Person. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such specified Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Affiliate Wheeling" means a Person's use of direct access service where an electric utility delivers electricity generated at a Person's industrial site to that Person or that Person's affiliate at a location, or general aggregated locations, within the State of Michigan that was either one of the following: (a) for at least 90 days during the period from January 1, 1996 to October 1, 1999, supplied by Self-Service Power, but only to the extent of the capacity reserved or load served by Self-Service Power during the period; or (b) capable of being supplied by a Person's cogeneration capacity within the State of Michigan that has had since January 1, 1996 a rated capacity of 15 megawatts or less, was placed in service before December 31, 1975 and has been in continuous service since that date. The term affiliate for purposes of this definition means a Person that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with another specified entity, where control means, whether through an ownership, beneficial, contractual or equitable interest, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person or the ownership of at least 7% of an entity either directly or indirectly.

"Amendatory Schedule" means a revision to service riders or any other notice filing filed with the Commission in respect of the Securitization Rate Schedule pursuant to a True-Up Adjustment.

"Annual Accountant's Report" is defined in Section 3.04(a) of the Servicing Agreement.

"Annual True-Up Adjustment" means each adjustment to the Securitization Charges made pursuant to the terms of the Financing Order in accordance with Section 4.01(b)(i) of the Servicing Agreement.

"Annual True-Up Adjustment Date" means the first billing cycle of January of each year, commencing in January 2025.

"Authorized Denomination" is defined in Section 4 of the Series Supplement.

"Authorized Officers" is defined in Section 10.04 of the Indenture.

"Back-Up Security Interest" is defined in Section 2.01(a) of the Sale Agreement.

"Bankruptcy Code" means Title 11 of the United States Code (11 U.S.C. §§ 101 et seq.).

"Basic Documents" means the Indenture, the Administration Agreement, the Sale Agreement, the Bill of Sale, the Certificate of Formation, the LLC Agreement, the Servicing Agreement, the Series Supplement, the Intercreditor Agreement, the Letter of Representations, the Underwriting Agreement and all other documents and certificates delivered in connection therewith.

"Bill of Sale" means a bill of sale substantially in the form of Exhibit A to the Sale Agreement delivered pursuant to Section 2.02(a) of the Sale Agreement.

"Billed Securitization Charges" means the amounts of Securitization Charges billed by the Servicer.

"Billing Period" means the period created by dividing the calendar year into 12 consecutive periods of approximately 21 Servicer Business Days.

"Bills" means each of the regular monthly bills, summary bills, opening bills and closing bills issued to Customers by Consumers Energy in its capacity as Servicer.

"Book-Entry Form" means, with respect to any Securitization Bond, that the ownership and transfers of such Securitization Bond shall be made through book entries by a Clearing Agency as described in Section 2.11 of the Indenture and in the Series Supplement.

"Book-Entry Securitization Bonds" means any Securitization Bonds issued in Book-Entry Form; provided, however, that, after the occurrence of a condition whereupon book-entry registration and transfer are no longer permitted and Definitive Securitization Bonds are to be issued to the Holder of such Securitization Bonds, such Securitization Bonds shall no longer be "Book-Entry Securitization Bonds".

"Business Day" means any day other than a Saturday, a Sunday or a day on which banking institutions in Detroit, Michigan, Jackson, Michigan, or New York, New York are, or DTC or the Corporate Trust Office is, authorized or obligated by law, regulation or executive order to be closed.

"Calculation Period" means, with respect to any True-Up Adjustment, the period comprised of the 12 consecutive Collection Periods beginning with the Collection Period in which such True-Up Adjustment would go into effect; provided, that, in the case of any True-Up Adjustment that would go into effect after the date that is 12 months prior to the Scheduled Final Payment Date of a Tranche of Securitization Bonds with respect to which such True-Up Adjustment is being made, the Calculation Period shall begin on the date the True-Up Adjustment would go into effect and end on the Payment Date following such True-Up Adjustment date; provided, further, that, for the purpose of calculating the first Periodic Payment Requirement as of the Closing Date, "Calculation Period" means, initially, the period commencing on the Closing Date and ending on the last day of the billing cycle of December 2024.

"Capital Subaccount" is defined in Section 8.02(a) of the Indenture.

"Capital Subaccount Investment Earnings" shall mean, for any Payment Date with respect to any Calculation Period, the sum of (a) an amount equal to investment earnings since the previous Payment Date (or, in the case of the first Payment Date, since the Closing Date) on the initial amount deposited by Consumers Energy in the Capital Subaccount plus (b) any such amounts not paid on any prior Payment Date.

"Certificate of Compliance" means the certificate referred to in Section 3.03 of the Servicing Agreement and substantially in the form of Exhibit E to the Servicing Agreement.

"Certificate of Formation" means the Certificate of Formation filed with the Secretary of State of the State of Delaware on August 16, 2023 pursuant to which the Issuer was formed.

"Claim" means a "claim" as defined in Section 101(5) of the Bankruptcy Code.

"Clearing Agency" means an organization registered as a "clearing agency" pursuant to Section 17A of the Exchange Act.

"Clearing Agency Participant" means a securities broker, dealer, bank, trust company, clearing corporation or other financial institution or other Person for whom from time to time a Clearing Agency effects book entry transfers and pledges of securities deposited with such Clearing Agency.

"Closing Date" means December 12, 2023, the date on which the Securitization Bonds are originally issued in accordance with Section 2.10 of the Indenture and the Series Supplement.

"Code" means the Internal Revenue Code of 1986.

"Collection Account" is defined in Section 8.02(a) of the Indenture.

"Collection in Full of the Securitization Charges" means the day on which the aggregate amounts on deposit in the General Subaccount and the Excess Funds Subaccount are sufficient to pay in full all the Outstanding Securitization Bonds and to replenish any shortfall in the Capital Subaccount.

"Collection Period" means any period commencing on the first Servicer Business Day of any Billing Period and ending on the last Servicer Business Day of such Billing Period.

"Commission" means the Michigan Public Service Commission.

"Commission Regulations" means all regulations, rules, tariffs and laws (including any temporary regulations or rules) applicable to public utilities or Securitization Bonds, as the case may be, and promulgated by, enforced by or otherwise within the jurisdiction of the Commission.

"Company Minutes" is defined in Section 1(a)(iv) of the Administration Agreement.

"Consumers Energy" means Consumers Energy Company, a Michigan corporation.

"Corporate Trust Office" means the office of the Indenture Trustee at which, at any particular time, the Indenture shall be administered, which office as of the Closing Date is located at 240 Greenwich Street, Floor 7, New York, New York 10286, Attention: Consumers 2023 Securitization Funding LLC, Series 2023A, Telephone: (212) 815-2484, Email:Jacqueline.Kuhn@bnymellon.com, or at such other address as the Indenture Trustee may designate from time to time by notice to the Holders of Securitization Bonds and the Issuer, or the principal corporate trust office of any successor trustee designated by like notice.

"Covenant Defeasance Option" is defined in Section 4.01(b) of the Indenture.

"Customers" means all existing and future retail electric distribution customers of Consumers Energy or its successors, including all existing and future retail electric customers who are obligated to pay Securitization Charges pursuant to the Financing Order, except that "Customers" shall exclude (i) customers taking retail open access service from Consumers Energy as of December 17, 2020 to the extent that those retail open access customers remain, without transition to bundled service, on Consumers Energy's retail choice program, (ii) customers to the extent they obtain or use Self-Service Power and (iii) customers to the extent engaged in Affiliate Wheeling.

"Daily Remittance" is defined in Section 6.11(a) of the Servicing Agreement.

"Default" means any occurrence that is, or with notice or the lapse of time or both would become, an Event of Default.

"Definitive Securitization Bonds" is defined in Section 2.11 of the Indenture.

"Depositor" means Consumers Energy, in its capacity as depositor of the Securitization Bonds.

"DTC" means The Depository Trust Company.

"Electronic Means" means the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Indenture Trustee, or another method or system specified by the Indenture Trustee as available for use in connection with its services under the Indenture.

"Eligible Account" means a segregated non-interest-bearing trust account with an Eligible Institution.

"Eligible Institution" means:

(a) the corporate trust department of the Indenture Trustee, so long as any of the securities of the Indenture Trustee (i) has either a short-term credit rating from Moody's of at least "P-1" or a long-term unsecured debt rating from Moody's of at least "A2" and (ii) has a credit rating from S&P of at least "A"; or

(b) a depository institution organized under the laws of the United States of America or any State (or any domestic branch of a foreign bank) (i) that has either (A) a long-term issuer rating of "AA-" or higher by S&P and "A2" or higher by Moody's or (B) a short-term issuer rating of "A-1" or higher by S&P and "P-1" or higher by Moody's, and (ii) whose deposits are insured by the Federal Deposit Insurance Corporation.

If so qualified under clause (b) of this definition, the Indenture Trustee may be considered an Eligible Institution for the purposes of clause (a) of this definition.

"Eligible Investments" means instruments or investment property that evidence:

(a) direct obligations of, or obligations fully and unconditionally guaranteed as to timely payment by, the United States of America;

(b) demand or time deposits of, unsecured certificates of deposit of, money market deposit accounts of, or bankers' acceptances issued by, any depository institution (including the Indenture Trustee, acting in its commercial capacity) incorporated or organized under the laws of the United States of America or any State thereof and subject to supervision and examination by U.S. federal or state banking authorities, so long as the commercial paper or other short-term debt obligations of such depository institution are, at the time of deposit or contractual commitment, rated at least "A-1" and "P-1" or their equivalents by each of S&P and Moody's or such lower rating as will not result in the downgrading or withdrawal of the ratings of the Securitization Bonds;

(c) commercial paper (including commercial paper of the Indenture Trustee, acting in its commercial capacity, and other than commercial paper of Consumers Energy or any of its Affiliates), which at the time of purchase is rated at least "A-1" and "P-1" or their equivalents by each of S&P and Moody's or such lower rating as will not result in the downgrading or withdrawal of the ratings of the Securitization Bonds;

(d) investments in money market funds having a rating in the highest investment category granted thereby (including funds for which the Indenture Trustee or any of its Affiliates is investment manager or advisor) from Moody's and S&P;

(e) repurchase obligations with respect to any security that is a direct obligation of, or fully guaranteed by, the United States of America or its agencies or instrumentalities, entered into with Eligible Institutions;

(f) repurchase obligations with respect to any security or whole loan entered into with an Eligible Institution or with a registered broker/dealer acting as principal and that meets the ratings criteria set forth below:

(i) a broker/dealer (acting as principal) registered as a broker or dealer under Section 15 of the Exchange Act (any such broker/dealer being referred to in this definition as a "broker/dealer"), the unsecured short-term debt obligations of which are rated at least "P-1" by Moody's and "A-1+" by S&P at the time of entering into such repurchase obligation; or

(ii) an unrated broker/dealer, acting as principal, that is a wholly-owned subsidiary of a non-bank or bank holding company the unsecured short-term debt obligations of which are rated at least "P-1" by Moody's and "A-1+" by S&P at the time of purchase so long as the obligations of such unrated broker/dealer are unconditionally guaranteed by such non-bank or bank holding company; or

(g) any other investment permitted by each of the Rating Agencies,

in each case maturing not later than the Business Day preceding the next Payment Date or Special Payment Date, if applicable (for the avoidance of doubt, investments in money market funds or similar instruments that are redeemable on demand shall be deemed to satisfy the foregoing requirement). Notwithstanding the foregoing: (1) no securities or investments that mature in 30 days or more shall be "Eligible Investments" unless the issuer thereof has either a short-term unsecured debt rating of at least "P-1" from Moody's or a long-term unsecured debt rating of at least "A1" from Moody's; (2) no securities or investments described in clauses (b) through (d) above that have maturities of more than 30 days but less than or equal to 3 months shall be "Eligible Investments" unless the issuer thereof has a long-term unsecured debt rating of at least "A1" from Moody's and a short-term unsecured debt rating of at least "P-1" from Moody's; (3) no securities or investments described in clauses (b) through (d) above that have maturities of more than 3 months shall be "Eligible Investments" unless the issuer thereof has a long-term unsecured debt rating of at least "A1" from Moody's and a short-term unsecured debt rating of at least "P-1" from Moody's; (4) no securities or investments described in clauses (b) through (d) above that have a maturity of 60 days or less shall be "Eligible Investments" unless such securities have a rating from S&P of at least "A-1"; and (5) no securities or investments described in clauses (b) through (d) above that have a maturity of more than 60 days shall be "Eligible Investments" unless such securities have a rating from S&P of at least "AA-", "A-1+" or "AAAm".

"Event of Default" is defined in Section 5.01 of the Indenture.

"Excess Funds Subaccount" is defined in Section 8.02(a) of the Indenture.

"Exchange Act" means the Securities Exchange Act of 1934.

"Expected Amortization Schedule" means, with respect to any Tranche, the expected amortization schedule related thereto set forth in the Series Supplement.

"Federal Book-Entry Regulations" means 31 C.F.R. Part 357 et seq. (Department of Treasury).

"Federal Funds Rate" means, for any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published for such day (or, if such day is not a Business Day, for the preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for such day on such transactions received by the Servicer from three federal funds brokers of recognized standing selected by it.

"Final" means, with respect to the Financing Order, that the Financing Order has become final, that the Financing Order is not being appealed and that the time for filing an appeal thereof has expired.

"Final Maturity Date" means, with respect to each Tranche of Securitization Bonds, the final maturity date therefor as specified in the Series Supplement.

"Financing Order" means the financing order issued under the Statute by the Commission to Consumers Energy on December 17, 2020, Case No. U-20889, authorizing the creation of the Securitization Property. Consumers Energy unconditionally accepted all conditions and limitations requested by such order in a letter dated January 7, 2021 from Consumers Energy to the Commission.

"General Subaccount" is defined in Section 8.02(a) of the Indenture.

"Global Securitization Bond" means a Securitization Bond to be issued to the Holders thereof in Book-Entry Form, which Global Securitization Bond shall be issued to the Clearing Agency, or its nominee, in accordance with Section 2.11 of the Indenture and the Series Supplement.

"Governmental Authority" means any nation or government, any U.S. federal, state, local or other political subdivision thereof and any court, administrative agency or other instrumentality or entity exercising executive, legislative, judicial, regulatory or administrative functions of government.

"Grant" means mortgage, pledge, bargain, sell, warrant, alienate, remise, release, convey, grant, transfer, create, grant a lien upon, a security interest in and right of set-off against, deposit, set over and confirm pursuant to the Indenture and the Series Supplement. A Grant of the Securitization Bond Collateral or of any other agreement or instrument included therein shall include all rights, powers and options (but none of the obligations) of the granting party thereunder, including the immediate and continuing right to claim for, collect, receive and give receipt for payments in respect of the Securitization Bond Collateral and all other moneys payable thereunder, to give and receive notices and other communications, to make waivers or other agreements, to exercise all rights and options, to bring Proceedings in the name of the granting party or otherwise and generally to do and receive anything that the granting party is or may be entitled to do or receive thereunder or with respect thereto.

"Hague Securities Convention" means the Convention on the Law Applicable to Certain Rights in Respect of Securities Held with an Intermediary, ratified September 28, 2016, S. Treaty Doc. No. 112-6 (2012).

"Holder" means the Person in whose name a Securitization Bond is registered on the Securitization Bond Register.

"Indemnified Losses" is defined in Section 5.03 of the Servicing Agreement.

"Indemnified Party" is defined in Section 6.02(a) of the Servicing Agreement.

"Indemnified Person" is defined in Section 5.01(f) of the Sale Agreement.

"Indemnitee" is defined in Section 6.07 of the Indenture.

"Indenture" means the Indenture, dated as of the Closing Date, by and between the Issuer and The Bank of New York Mellon, a New York banking corporation, as Indenture Trustee, as Securities Intermediary and as Account Bank.

"Indenture Trustee" means The Bank of New York Mellon, a New York banking corporation, as indenture trustee for the benefit of the Secured Parties, or any successor indenture trustee for the benefit of the Secured Parties, under the Indenture.

"Indenture Trustee Cap" is defined in Section 8.02(e)(i) of the Indenture.

"Independent" means, when used with respect to any specified Person, that such specified Person (a) is in fact independent of the Issuer, any other obligor on the Securitization Bonds, the Seller, the Servicer and any Affiliate of any of the foregoing Persons, (b) does not have any direct financial interest or any material indirect financial interest in the Issuer, any such other obligor, the Seller, the Servicer or any Affiliate of any of the foregoing Persons and (c) is not connected with the Issuer, any such other obligor, the Seller, the Servicer or any Affiliate of any of the foregoing Persons as an officer, employee, promoter, underwriter, trustee, partner, director (other than as an independent director or manager) or Person performing similar functions.

"Independent Certificate" means a certificate to be delivered to the Indenture Trustee under the circumstances described in, and otherwise complying with, the applicable requirements of Section 10.01 of the Indenture, made by an Independent appraiser or other expert appointed by an Issuer Order and consented to by the Indenture Trustee, and such certificate shall state that the signer has read the definition of "Independent" in the Indenture and that the signer is Independent within the meaning thereof.

"Independent Manager" is defined in Section 4.01(a) of the LLC Agreement.

"Insolvency Event" means, with respect to a specified Person: (a) the filing of a decree or order for relief by a court having jurisdiction in the premises in respect of such specified Person or any substantial part of its property in an involuntary case under any applicable U.S. federal or state bankruptcy, insolvency or other similar law in effect as of the Closing Date or thereafter, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for such specified Person or for any substantial part of its property, or ordering the winding-up or liquidation of such specified Person's affairs, and such decree or order shall remain unstayed and in effect for a period of 60 consecutive days; or (b) the commencement by such specified Person of a voluntary case under any applicable U.S. federal or state bankruptcy, insolvency or other similar law in effect as of the Closing Date or thereafter, or the consent by such specified Person to the entry of an order for relief in an involuntary case under any such law, or the consent by such specified Person to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for such specified Person or for any substantial part of its property, or the making by such specified Person of any general assignment for the benefit of creditors, or the failure by such specified Person generally to pay its debts as such debts become due, or the taking of action by such specified Person in furtherance of any of the foregoing.

"Instructions" is defined in Section 10.04 of the Indenture.

"Intercreditor Agreement" means that certain Intercreditor Agreement, dated as of the Closing Date, by and among the Issuer, the Indenture Trustee, Consumers Energy, Consumers 2014 Securitization Funding LLC and the trustee for the securitization bonds issued by Consumers 2014 Securitization Funding LLC, and any subsequent such agreement.

"Interim True-Up Adjustment" means either a Semi-Annual Interim True-Up Adjustment made in accordance with Section 4.01(b)(ii) of the Servicing Agreement or an Additional Interim True-Up Adjustment made in accordance with Section 4.01(b)(iii) of the Servicing Agreement.

"Investment Company Act" means the Investment Company Act of 1940.

"Investment Earnings" means investment earnings on funds deposited in the Collection Account net of losses and investment expenses.

"Issuer" means Consumers 2023 Securitization Funding LLC, a Delaware limited liability company, named as such in the Indenture until a successor replaces it and, thereafter, means the successor and, for purposes of any provision contained herein and required by the Trust Indenture Act, each other obligor on the Securitization Bonds.

"Issuer Documents" is defined in Section 1(a)(iv) of the Administration Agreement.

"Issuer Order" means a written order signed in the name of the Issuer by any one of its Responsible Officers and delivered to the Indenture Trustee or Paying Agent, as applicable.

"Issuer Request" means a written request signed in the name of the Issuer by any one of its Responsible Officers and delivered to the Indenture Trustee or Paying Agent, as applicable.

"Legal Defeasance Option" is defined in Section 4.01(b) of the Indenture.

"Letter of Representations" means any applicable agreement between the Issuer and the applicable Clearing Agency, with respect to such Clearing Agency's rights and obligations (in its capacity as a Clearing Agency) with respect to any Book-Entry Securitization Bonds.

"Lien" means a security interest, lien, mortgage, charge, pledge, claim or encumbrance of any kind.

"LLC Agreement" means the Amended and Restated Limited Liability Company Agreement of Consumers 2023 Securitization Funding LLC, dated as of the Closing Date.

"Losses" means (a) any and all amounts of principal of and interest on the Securitization Bonds not paid when due or when scheduled to be paid in accordance with their terms and the amounts of any deposits by or to the Issuer required to have been made in accordance with the terms of the Basic Documents or the Financing Order that are not made when so required and (b) any and all other liabilities, obligations, losses, claims, damages, payments, costs or expenses of any kind whatsoever.

"Manager" means each manager of the Issuer under the LLC Agreement.

"Member" has the meaning specified in the preamble of the LLC Agreement.

"Michigan UCC" means the Uniform Commercial Code as in effect on the Closing Date in the State of Michigan.

"Monthly Servicer's Certificate" is defined in Section 3.01(b)(i) of the Servicing Agreement.

"Moody's" means Moody's Investors Service, Inc. References to Moody's are effective so long as Moody's is a Rating Agency.

"NY UCC" means the Uniform Commercial Code as in effect on the Closing Date in the State of New York.

"Officer's Certificate" means a certificate signed by a Responsible Officer of the Issuer under the circumstances described in, and otherwise complying with, the applicable requirements of Section 10.01 of the Indenture, and delivered to the Indenture Trustee.

"Ongoing Other Qualified Costs" means the Qualified Costs described as such in the Financing Order, including Operating Expenses and any other costs identified in the Basic Documents; provided, however, that Ongoing Other Qualified Costs do not include the Issuer's costs of issuance of the Securitization Bonds and Consumers Energy's costs of retiring existing debt and equity securities.

"Operating Expenses" means all unreimbursed fees, costs and out-of-pocket expenses of the Issuer (other than interest on the Securitization Bonds), including all amounts owed by the Issuer to the Indenture Trustee (including indemnities, legal fees and expenses and audit fees and expenses) or any Manager, the Servicing Fee, any other amounts owed to the Servicer pursuant to the Servicing Agreement, the Administration Fee, any other amounts owed to the Administrator pursuant to the Administration Agreement, legal and accounting fees, Rating Agency fees and any franchise or other taxes owed by the Issuer.

"Opinion of Counsel" means one or more written opinions of counsel, who may, except as otherwise expressly provided in the Basic Documents, be employees of or counsel to the party providing such opinion of counsel, which counsel shall be reasonably acceptable to the party receiving such opinion of counsel, and shall be in form and substance reasonably acceptable to such party. Any Opinion of Counsel may be based, insofar as it relates to factual matters (including financial and capital markets matters), upon a certificate or opinion of, or representations by, an officer or officers of the Servicer or the Issuer and other documents necessary and advisable in the judgment of counsel delivering such opinion.

"Outstanding" means, as of the date of determination, all Securitization Bonds theretofore authenticated and delivered under the Indenture, except:

(a) Securitization Bonds theretofore canceled by the Securitization Bond Registrar or delivered to the Securitization Bond Registrar for cancellation;

(b) Securitization Bonds or portions thereof the payment for which money in the necessary amount has been theretofore deposited with the Indenture Trustee or any Paying Agent in trust for the Holders of such Securitization Bonds; and

(c) Securitization Bonds in exchange for or in lieu of other Securitization Bonds that have been issued pursuant to the Indenture unless proof satisfactory to the Indenture Trustee is presented that any such Securitization Bonds are held by a Protected Purchaser;

provided, that, in determining whether the Holders of the requisite Outstanding Amount of the Securitization Bonds or any Tranche thereof have given any request, demand, authorization, direction, notice, consent or waiver under any Basic Document, Securitization Bonds owned by the Issuer, any other obligor upon the Securitization Bonds, the Member, the Seller, the Servicer or any Affiliate of any of the foregoing Persons shall be disregarded and deemed not to be Outstanding (unless one or more such Persons owns 100% of such Securitization Bonds), except that, in determining whether the Indenture Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Securitization Bonds that the Indenture Trustee actually knows to be so owned shall be so disregarded. Securitization Bonds so owned that have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Indenture Trustee the pledgee's right so to act with respect to such Securitization Bonds and that the pledgee is not the Issuer, any other obligor upon the Securitization Bonds, the Member, the Seller, the Servicer or any Affiliate of any of the foregoing Persons.

"Outstanding Amount" means the aggregate principal amount of all Securitization Bonds, or, if the context requires, all Securitization Bonds of a Tranche, Outstanding at the date of determination.

"Paying Agent" means, with respect to the Indenture, the Indenture Trustee and any other Person appointed as a paying agent for the Securitization Bonds pursuant to the Indenture.

"Payment Date" means, with respect to any Tranche of Securitization Bonds, the dates specified in the Series Supplement; provided, that if any such date is not a Business Day, the Payment Date shall be the Business Day succeeding such date.

"Periodic Billing Requirement" means, for any Calculation Period, the aggregate amount of Securitization Charges calculated by the Servicer as necessary to be billed during such period in order to collect the Periodic Payment Requirement on a timely basis.

"Periodic Interest" means, with respect to any Payment Date, the periodic interest for such Payment Date as specified in the Series Supplement.

"Periodic Payment Requirement" for any Calculation Period means the total dollar amount of Securitization Charge Collections reasonably calculated by the Servicer in accordance with Section 4.01 of the Servicing Agreement as necessary to be received during such Calculation Period (after giving effect to the allocation and distribution of amounts on deposit in the Excess Funds Subaccount at the time of calculation and that are projected to be available for payments on the Securitization Bonds at the end of such Calculation Period and including any shortfalls in Periodic Payment Requirements for any prior Calculation Period) in order to ensure that, as of the last Payment Date occurring in such Calculation Period, (a) all accrued and unpaid interest on the Securitization Bonds then due shall have been paid in full on a timely basis, (b) the Outstanding Amount of the Securitization Bonds is equal to the Projected Unpaid Balance on each Payment Date during such Calculation Period, (c) the balance on deposit in the Capital Subaccount equals the Required Capital Level and (d) all other fees and expenses due and owing and required or allowed to be paid under Section 8.02 of the Indenture as of such date shall have been paid in full; provided, that, with respect to any Annual True-Up Adjustment or Interim True-Up Adjustment occurring after the date that is one year prior to the last Scheduled Final Payment Date for the Securitization Bonds, the Periodic Payment Requirements shall be calculated to ensure that sufficient Securitization Charges will be collected to retire the Securitization Bonds in full as of the next Payment Date.

"Periodic Principal" means, with respect to any Payment Date, the excess, if any, of the Outstanding Amount of Securitization Bonds over the outstanding principal balance specified for such Payment Date on the Expected Amortization Schedule.

"Permitted Lien" means the Lien created by the Indenture.

"Permitted Successor" is defined in Section 5.02 of the Sale Agreement.

"Person" means any individual, corporation, limited liability company, estate, partnership, joint venture, association, joint stock company, trust (including any beneficiary thereof), unincorporated organization or Governmental Authority.

"Predecessor Securitization Bond" means, with respect to any particular Securitization Bond, every previous Securitization Bond evidencing all or a portion of the same debt as that evidenced by such particular Securitization Bond, and, for the purpose of this definition, any Securitization Bond authenticated and delivered under Section 2.06 of the Indenture in lieu of a mutilated, lost, destroyed or stolen Securitization Bond shall be deemed to evidence the same debt as the mutilated, lost, destroyed or stolen Securitization Bond.

"Premises" is defined in Section 1(g) of the Administration Agreement.

"Proceeding" means any suit in equity, action at law or other judicial or administrative proceeding.

"Projected Unpaid Balance" means, as of any Payment Date, the sum of the projected outstanding principal balance of each Tranche of Securitization Bonds for such Payment Date set forth in the Expected Amortization Schedule.

"Prospectus" means the prospectus dated December 5, 2023 relating to the Securitization Bonds.

"Protected Purchaser" has the meaning specified in Section 8-303 of the UCC.

"Qualified Costs" means all qualified costs as defined in Section 10h(g) of the Statute allowed to be recovered by Consumers Energy under the Financing Order.

"Rating Agency" means, with respect to any Tranche of Securitization Bonds, any of Moody's or S&P that provides a rating with respect to the Securitization Bonds. If no such organization (or successor) is any longer in existence, "Rating Agency" shall be a nationally recognized statistical rating organization or other comparable Person designated by the Issuer, notice of which designation shall be given to the Indenture Trustee and the Servicer.

"Rating Agency Condition" means, with respect to any action, at least ten Business Days' prior written notification to each Rating Agency of such action, and written confirmation from each of S&P and Moody's to the Indenture Trustee and the Issuer that such action will not result in a suspension, reduction or withdrawal of the then current rating by such Rating Agency of any Tranche of Securitization Bonds; provided, that, if, within such ten Business Day period, any Rating Agency (other than S&P) has neither replied to such notification nor responded in a manner that indicates that such Rating Agency is reviewing and considering the notification, then (a) the Issuer shall be required to confirm that such Rating Agency has received the Rating Agency Condition request and, if it has, promptly request the related Rating Agency Condition confirmation and (b) if the Rating Agency neither replies to such notification nor responds in a manner that indicates it is reviewing and considering the notification within five Business Days following such second request, the applicable Rating Agency Condition requirement shall not be deemed to apply to such Rating Agency. For the purposes of this definition, any confirmation, request, acknowledgment or approval that is required to be in writing may be in the form of electronic mail or a press release (which may contain a general waiver of a Rating Agency's right to review or consent).

"Record Date" means one Business Day prior to the applicable Payment Date.

"Registered Holder" means the Person in whose name a Securitization Bond is registered on the Securitization Bond Register.

"Regulation AB" means the rules of the SEC promulgated under Subpart 229.1100 – Asset Backed Securities (Regulation AB), 17 C.F.R. §§229.1100-229.1125.

"Reimbursable Expenses" is defined in Section 2 of the Administration Agreement.

"Released Parties" is defined in Section 6.02(d) of the Servicing Agreement.

"Required Capital Level" means an amount equal to 0.5% of the initial principal amount of the Securitization Bonds.

"Requirement of Law" means any foreign, U.S. federal, state or local laws, statutes, regulations, rules, codes or ordinances enacted, adopted, issued or promulgated by any Governmental Authority or common law.

"Responsible Officer" means, with respect to: (a) the Issuer, any Manager or any duly authorized officer; (b) the Indenture Trustee, any officer within the Corporate Trust Office of such trustee (including the President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Treasurer, any Trust Officer or any other officer of the Indenture Trustee customarily performing functions similar to those performed by persons who at the time shall be such officers, respectively, and that has direct responsibility for the administration of the Indenture and also, with respect to a particular matter, any other officer to whom such matter is referred to because of such officer's knowledge and familiarity with the particular subject); (c) any corporation (other than the Indenture Trustee), the Chief Executive Officer, the President, any Vice President, the Chief Financial Officer, the Treasurer, any Assistant Treasurer or any other duly authorized officer of such Person who has been authorized to act in the circumstances; (d) any partnership, any general partner thereof; and (e) any other Person (other than an individual), any duly authorized officer or member of such Person, as the context may require, who is authorized to act in matters relating to such Person.

"S&P" means S&P Global Ratings, a division of S&P Global Inc. References to S&P are effective so long as S&P is a Rating Agency.

"Sale Agreement" means the Securitization Property Purchase and Sale Agreement, dated as of the Closing Date, by and between the Issuer and Consumers Energy, and acknowledged and accepted by the Indenture Trustee.

"Scheduled Final Payment Date" means, with respect to each Tranche of Securitization Bonds, the date when all interest and principal is scheduled to be paid with respect to that Tranche in accordance with the Expected Amortization Schedule, as specified in the Series Supplement. For the avoidance of doubt, the Scheduled Final Payment Date with respect to any Tranche shall be the last Scheduled Payment Date set forth in the Expected Amortization Schedule relating to such Tranche. The "last Scheduled Final Payment Date" means the Scheduled Final Payment Date of the latest maturing Tranche of Securitization Bonds.

"Scheduled Payment Date" means, with respect to each Tranche of Securitization Bonds, each Payment Date on which principal for such Tranche is to be paid in accordance with the Expected Amortization Schedule for such Tranche.

"SEC" means the Securities and Exchange Commission.

"Secured Obligations" means the payment of principal of and premium, if any, interest on, and any other amounts owing in respect of, the Securitization Bonds and all fees, expenses, counsel fees and other amounts due and payable to the Indenture Trustee.

"Secured Parties" means the Indenture Trustee, the Holders and any credit enhancer described in the Series Supplement.

"Securities Act" means the Securities Act of 1933.

"Securities Intermediary" means The Bank of New York Mellon, a New York banking corporation, solely in the capacity of a "securities intermediary" as defined in the NY UCC and Federal Book-Entry Regulations or any successor securities intermediary under the Indenture.

"Securitization Bond Collateral" is defined in the preamble of the Indenture.

"Securitization Bond Interest Rate" means, with respect to any Tranche of Securitization Bonds, the rate at which interest accrues on the Securitization Bonds of such Tranche, as specified in the Series Supplement.

"Securitization Bond Register" is defined in Section 2.05 of the Indenture.

"Securitization Bond Registrar" is defined in Section 2.05 of the Indenture.

"Securitization Bonds" means the securitization bonds authorized by the Financing Order and issued pursuant to the Indenture.

"Securitization Charge Collections" means Securitization Charges actually received by the Servicer to be remitted to the Collection Account.

"Securitization Charge Payments" means the payments made by Customers based on the Securitization Charges that are actually received by the Servicer.

"Securitization Charges" means any securitization charges as defined in Section 10h(i) of the Statute that are authorized by the Financing Order.

"Securitization Property" means all securitization property as defined in Section 10h(j) of the Statute created pursuant to the Financing Order and under the Statute, including the right to impose, collect and receive the Securitization Charges in an amount necessary to provide the full recovery of all Qualified Costs, the right under the Financing Order to obtain periodic adjustments of Securitization Charges under Section 10k(3) of the Statute and all revenue, collections, payments, moneys and proceeds arising out of the rights and interests described under Section 10(j) of the Statute. The term "Securitization Property" when used with respect to Consumers Energy means and includes the rights of Consumers Energy that exist prior to the time that such rights are first transferred in connection with the issuance of the Securitization Bonds so as to become Securitization Property in accordance with Section 10j(2) of the Statute and the Financing Order.

"Securitization Property Records" is defined in Section 5.01 of the Servicing Agreement.

"Securitization Rate Class" means one of the separate rate classes to whom Securitization Charges are allocated for ratemaking purposes in accordance with the Financing Order.

"Securitization Rate Schedule" means the Tariff sheets to be filed with the Commission stating the amounts of the Securitization Charges, as such Tariff sheets may be amended or modified from time to time pursuant to a True-Up Adjustment.

"Self-Service Power" means (a) electricity generated and consumed at an industrial site or contiguous industrial site or single commercial establishment or single residence without the use of an electric utility's transmission and distribution system or (b) electricity generated primarily by the use of by-product fuels, including waste water solids, which electricity is consumed as part of a contiguous facility, with the use of an electric utility's transmission and distribution system, but only if the point or points of receipt of the power within the facility are not greater than three miles distant from the point of generation. A site or facility with load existing on the effective date of the Statute that is divided by an inland body of water or by a public highway, road or street but that otherwise meets this definition meets the contiguous requirement of this definition regardless of whether Self-Service Power was being generated on the effective date of the Statute. A commercial or industrial facility or single residence that meets the requirements of clause (a) above or clause (b) above meets this definition whether or not the generation facility is owned by an entity different from the owner of the commercial or industrial site or single residence.

"Seller" is defined in the preamble to the Sale Agreement.

"Semi-Annual Interim True-Up Adjustment" means any Interim True-Up Adjustment made pursuant to Section 4.01(b)(ii) of the Servicing Agreement.

"Semi-Annual Servicer's Certificate" is defined in Section 4.01(c)(ii) of the Servicing Agreement.

"Series Supplement" means the indenture supplemental to the Indenture in the form attached as Exhibit B to the Indenture that authorizes the issuance of the Securitization Bonds.

"Servicer" means Consumers Energy, as Servicer under the Servicing Agreement.

"Servicer Business Day" means any day other than a Saturday, a Sunday or a day on which banking institutions in Detroit, Michigan, Jackson, Michigan or New York, New York are authorized or obligated by law, regulation or executive order to be closed, on which the Servicer maintains normal office hours and conducts business.

"Servicer Default" is defined in Section 7.01 of the Servicing Agreement.

"Servicing Agreement" means the Securitization Property Servicing Agreement, dated as of the Closing Date, by and between the Issuer and Consumers Energy, and acknowledged and accepted by the Indenture Trustee.

"Servicing Fee" is defined in Section 6.06(a) of the Servicing Agreement.

"Special Payment Date" means the date on which, with respect to any Tranche of Securitization Bonds, any payment of principal of or interest (including any interest accruing upon default) on, or any other amount in respect of, the Securitization Bonds of such Tranche that is not actually paid within five days of the Payment Date applicable thereto is to be made by the Indenture Trustee to the Holders.

"Special Record Date" means, with respect to any Special Payment Date, the close of business on the fifteenth day (whether or not a Business Day) preceding such Special Payment Date.

"Sponsor" means Consumers Energy, in its capacity as "sponsor" of the Securitization Bonds within the meaning of Regulation AB.

"State" means any one of the fifty states of the United States of America or the District of Columbia.

"State Pledge" means the pledge of the State of Michigan as set forth in Section 10n(2) of the Statute.

"Statute" means the laws of the State of Michigan adopted in June 2000 enacted as 2000 PA 142.

"Subaccounts" is defined in Section 8.02(a) of the Indenture.

"Successor" means any successor to Consumers Energy under the Statute, whether pursuant to any bankruptcy, reorganization or other insolvency proceeding or pursuant to any merger, acquisition, sale or transfer, by operation of law, as a result of electric utility restructuring or otherwise.

"Successor Servicer" is defined in Section 3.07(e) of the Indenture.

"Tariff" means the most current version on file with the Commission of Sheet No. C-37.10 and Sheet No. D-7.10 of Consumers Energy's Rate Book for Electric Service, M.P.S.C. 14 – Electric, or substantially comparable sheets included in a later complete revision of Consumers Energy's Rate Book for Electric Service approved and on file with the Commission.

"Tax Returns" is defined in Section 1(a)(iii) of the Administration Agreement.

"Temporary Securitization Bonds" means Securitization Bonds executed and, upon the receipt of an Issuer Order, authenticated and delivered by the Indenture Trustee pending the preparation of Definitive Securitization Bonds pursuant to Section 2.04 of the Indenture.

"Termination Notice" is defined in Section 7.01 of the Servicing Agreement.

"Tranche" means any one of the groupings of Securitization Bonds differentiated by payment date schedule, amortization schedule, sinking fund schedule, maturity date or interest rate, as specified in the Series Supplement.

"Treasury" means the U.S. Department of the Treasury.

"True-Up Adjustment" means any Annual True-Up Adjustment or Interim True-Up Adjustment, as the case may be.

"Trust Indenture Act" means the Trust Indenture Act of 1939 as in force on the Closing Date, unless otherwise specifically provided.

"UCC" means the Uniform Commercial Code as in effect in the relevant jurisdiction.

"Underwriters" means the underwriters who purchase Securitization Bonds of any Tranche from the Issuer and sell such Securitization Bonds in a public offering.

"Underwriting Agreement" means the Underwriting Agreement, dated December 5, 2023, by and among Consumers Energy, the representative of the several Underwriters named therein and the Issuer.

"U.S. Government Obligations" means direct obligations (or certificates representing an ownership interest in such obligations) of the United States of America (including any agency or instrumentality thereof) for the payment of which the full faith and credit of the United States of America is pledged and that are not callable at the option of the issuer thereof.

B. Rules of Construction. Unless the context otherwise requires, in each Basic Document to which this Appendix A is attached:

(a) All accounting terms not specifically defined herein shall be construed in accordance with United States generally accepted accounting principles. To the extent that the definitions of accounting terms in any Basic Document are inconsistent with the meanings of such terms under generally accepted accounting principles or regulatory accounting principles, the definitions contained in such Basic Document shall control.

(b) The term "including" means "including without limitation", and other forms of the verb "include" have correlative meanings.

(c) All references to any Person shall include such Person's permitted successors and assigns, and any reference to a Person in a particular capacity excludes such Person in other capacities.

(d) Unless otherwise stated in any of the Basic Documents, in the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and each of the words "to" and "until" means "to but excluding".

(e) The words "hereof", "herein" and "hereunder" and words of similar import when used in any Basic Document shall refer to such Basic Document as a whole and not to any particular provision of such Basic Document. References to Articles, Sections, Appendices and Exhibits in any Basic Document are references to Articles, Sections, Appendices and Exhibits in or to such Basic Document unless otherwise specified in such Basic Document.

(f) The various captions (including the tables of contents) in each Basic Document are provided solely for convenience of reference and shall not affect the meaning or interpretation of any Basic Document.

(g) The definitions contained in this Appendix A apply equally to the singular and plural forms of such terms, and words of the masculine, feminine or neuter gender shall mean and include the correlative words of other genders.

(h) Unless otherwise specified, references to an agreement or other document include references to such agreement or document as from time to time amended, restated, reformed, supplemented or otherwise modified in accordance with the terms thereof (subject to any restrictions on such amendments, restatements, reformations, supplements or modifications set forth in such agreement or document) and include any attachments thereto.

(i) References to any law, rule, regulation or order of a Governmental Authority shall include such law, rule, regulation or order as from time to time in effect, including any amendment, modification, codification, replacement, reenactment or successor thereof or any substitution therefor.

(j) The word "will" shall be construed to have the same meaning and effect as the word "shall".

(k) The word "or" is not exclusive.

(l) All terms defined in the relevant Basic Document to which this Appendix A is attached shall have the defined meanings when used in any certificate or other document made or delivered pursuant thereto unless otherwise defined therein.

(m) A term has the meaning assigned to it.

This SERIES SUPPLEMENT, dated as of December 12, 2023 (this "Supplement"), is by and between Consumers 2023 Securitization Funding LLC, a limited liability company created under the laws of the State of Delaware (the "Issuer"), and The Bank of New York Mellon, a New York banking corporation ("Bank"), in its capacity as indenture trustee (the "Indenture Trustee") for the benefit of the Secured Parties under the Indenture dated as of December 12, 2023, by and between the Issuer and The Bank of New York Mellon, in its capacity as Indenture Trustee and in its separate capacities as a securities intermediary and an account bank (the "Indenture").

PRELIMINARY STATEMENT

Section 9.01 of the Indenture provides, among other things, that the Issuer and the Indenture Trustee may at any time enter into an indenture supplemental to the Indenture for the purposes of authorizing the issuance by the Issuer of the Securitization Bonds and specifying the terms thereof. The Issuer has duly authorized the creation of the Securitization Bonds with an initial aggregate principal amount of $646,000,000 to be known as Senior Secured Securitization Bonds, Series 2023A (the "Securitization Bonds"), and the Issuer and the Indenture Trustee are executing and delivering this Supplement in order to provide for the Securitization Bonds.

All terms used in this Supplement that are defined in the Indenture, either directly or by reference therein, have the meanings assigned to them therein, except to the extent such terms are defined or modified in this Supplement or the context clearly requires otherwise. In the event that any term or provision contained herein shall conflict with or be inconsistent with any term or provision contained in the Indenture, the terms and provisions of this Supplement shall govern.

GRANTING CLAUSE

With respect to the Securitization Bonds, the Issuer hereby Grants to the Indenture Trustee, as Indenture Trustee for the benefit of the Secured Parties of the Securitization Bonds, all of the Issuer's right, title and interest (whether now owned or hereafter acquired or arising) in and to (a) the Securitization Property created under and pursuant to the Financing Order and the Statute, and transferred by the Seller to the Issuer pursuant to the Sale Agreement (including, to the fullest extent permitted by law, the right to impose, collect and receive the Securitization Charges, the right to obtain periodic adjustments to the Securitization Charges, and all revenue, collections, payments, money and proceeds arising out of the rights and interests created under the Financing Order), (b) all Securitization Charges related to the Securitization Property, (c) the Sale Agreement and the Bill of Sale executed in connection therewith and all property and interests in property transferred under the Sale Agreement and the Bill of Sale with respect to the Securitization Property and the Securitization Bonds, (d) the Servicing Agreement, the Administration Agreement, the Intercreditor Agreement and any subservicing, agency, administration or collection agreements executed in connection therewith, to the extent related to the foregoing Securitization Property and the Securitization Bonds, (e) the Collection Account, all subaccounts thereof and all amounts of cash, instruments, investment property or other assets on deposit therein or credited thereto from time to time and all financial assets and securities entitlements carried therein or credited thereto, (f) all rights to compel the Servicer to file for and obtain periodic adjustments to the Securitization Charges in accordance with Section 10k(3) of the Statute, the Financing Order or any Securitization Rate Schedule filed in connection therewith, (g) all present and future claims, demands, causes and choses in action in respect of any or all of the foregoing, whether such claims, demands, causes and choses in action constitute Securitization Property, accounts, general intangibles, instruments, contract rights, chattel paper or proceeds of such items or any other form of property, (h) all accounts, chattel paper, deposit accounts, documents, general intangibles, goods, instruments, investment property, letters of credit, letters-of-credit rights, money, commercial tort claims and supporting obligations related to the foregoing, and (i) all payments on or under, and all proceeds in respect of, any or all of the foregoing, **it being understood that the following do not constitute Securitization Bond Collateral**: (x) cash that has been released pursuant to the terms of the Indenture, including Section 8.02(e)(x) of the Indenture and, following retirement of all Outstanding Securitization Bonds, pursuant to Section 8.02(e)(xii) of the Indenture or (y) amounts deposited with the Issuer on the Closing Date, for payment of costs of issuance with respect to the Securitization Bonds (together with any interest earnings thereon), it being understood that such amounts described in clause (x) and clause (y) above shall not be subject to Section 3.17 of the Indenture.

The foregoing Grant is made in trust to secure the Secured Obligations equally and ratably without prejudice, priority or distinction, except as expressly provided in the Indenture, to secure compliance with the provisions of the Indenture with respect to the Securitization Bonds, all as provided in the Indenture and to secure the performance by the Issuer of all of its obligations under the Indenture. The Indenture and this Supplement constitute a security agreement within the meaning of the Statute and under the UCC to the extent that the provisions of the UCC are applicable hereto.

The Indenture Trustee, as indenture trustee on behalf of the Secured Parties of the Securitization Bonds, acknowledges such Grant and accepts the trusts under this Supplement and the Indenture in accordance with the provisions of this Supplement and the Indenture.

SECTION 1. Designation. The Securitization Bonds shall be designated generally as the Senior Secured Securitization Bonds, Series 2023A, and further denominated as Tranches A-1 through A-2.

SECTION 2. Initial Principal Amount; Securitization Bond Interest Rate; Scheduled Final Payment Date; Final Maturity Date. The Securitization Bonds of each Tranche shall have the initial principal amount, bear interest at the rates per annum (the "Securitization Bond Interest Rate") and shall have the Scheduled Final Payment Dates and the Final Maturity Dates set forth below:

Tranche	Initial Principal Amount	Securitization Bond Interest Rate	Scheduled Final Payment Date	Final Maturity Date
A-1	$ 250,000,000	5.55%	March 1, 2027	March 1, 2028
A-2	$ 396,000,000	5.21%	September 1, 2030	September 1, 2031

The Securitization Bond Interest Rate shall be computed on the basis of a 360-day year of twelve 30-day months.

SECTION 3. Authentication Date; Payment Dates; Expected Amortization Schedule for Principal; Periodic Interest; Book-Entry Securitization Bonds; Waterfall Caps.

(a) Authentication Date. The Securitization Bonds that are authenticated and delivered by the Indenture Trustee to or upon the order of the Issuer on December 12, 2023 (the "Closing Date") shall have as their date of authentication December 12, 2023.

(b) Payment Dates. The "Payment Dates" for the Securitization Bonds are March 1 and September 1 of each year or, if any such date is not a Business Day, the next Business Day, commencing on September 1, 2024 and continuing until the earlier of repayment of the Securitization Bonds in full and the Final Maturity Date.

(c) Expected Amortization Schedule for Principal. Unless an Event of Default shall have occurred and be continuing, on each Payment Date, the Indenture Trustee shall distribute to the Holders of record as of the related Record Date amounts payable pursuant to Section 8.02(e) of the Indenture as principal, in the following order and priority: (1) to the Holders of the Tranche A-1 Securitization Bonds, until the Outstanding Amount of such Tranche of Securitization Bonds thereof has been reduced to zero; and (2) to the Holders of the Tranche A-2 Securitization Bonds, until the Outstanding Amount of such Tranche of Securitization Bonds thereof has been reduced to zero; provided, however, that in no event shall a principal payment pursuant to this Section 3(c) on any Tranche on a Payment Date be greater than the amount necessary to reduce the Outstanding Amount of such Tranche of Securitization Bonds to the amount specified in the Expected Amortization Schedule that is attached as Schedule A hereto for such Tranche and Payment Date.

(d) Periodic Interest. "Periodic Interest" will be payable on each Tranche of the Securitization Bonds on each Payment Date in an amount equal to one-half of the product of (i) the applicable Securitization Bond Interest Rate and (ii) the Outstanding Amount of the related Tranche of Securitization Bonds as of the close of business on the preceding Payment Date after giving effect to all payments of principal made to the Holders of the related Tranche of Securitization Bonds on such preceding Payment Date; provided, however, that, with respect to the initial Payment Date, or if no payment has yet been made, interest on the outstanding principal balance will accrue from and including the Closing Date to, but excluding, the following Payment Date.

(e) Book-Entry Securitization Bonds. The Securitization Bonds shall be Book-Entry Securitization Bonds, and the applicable provisions of Section 2.11 of the Indenture shall apply to the Securitization Bonds.

(f) Indenture Trustee Cap. The amount payable with respect to the Securitization Bonds pursuant to Section 8.02(e)(i) of the Indenture shall not exceed $250,000 annually; provided, however, that the Indenture Trustee Cap shall be disregarded and inapplicable upon the acceleration of the Securitization Bonds following the occurrence of an Event of Default.

SECTION 4. Authorized Denominations. The Securitization Bonds shall be issuable in denominations of $2,000 and integral multiples of $1,000 in excess thereof, except for one Securitization Bond of each Tranche, which may be a smaller denomination (the "Authorized Denominations").

SECTION 5. Delivery and Payment for the Securitization Bonds; Form of the Securitization Bonds. The Indenture Trustee shall deliver the Securitization Bonds to the Issuer when authenticated in accordance with Section 2.03 of the Indenture. The Securitization Bonds of each Tranche shall be in the form of Exhibits A-1 and A-2 hereto.

SECTION 6. Ratification of Indenture. As supplemented by this Supplement, the Indenture is in all respects ratified and confirmed and the Indenture, as so supplemented by this Supplement, shall be read, taken and construed as one and the same instrument. This Supplement amends, modifies and supplements the Indenture only insofar as it relates to the Securitization Bonds.

SECTION 7. Counterparts. This Supplement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all of such counterparts shall together constitute but one and the same instrument. The Issuer and Indenture Trustee agree that this Supplement may be electronically signed, that any digital or electronic signatures (including pdf, facsimile or electronically imaged signatures provided by DocuSign or any other digital signature provider as specified in writing to the Indenture Trustee) appearing on this Supplement are the same as handwritten signatures for the purposes of validity, enforceability and admissibility, and that delivery of any such electronic signature to, or a signed copy of, this Supplement may be made by facsimile, email or other electronic transmission. The Issuer agrees to assume all risks arising out of the use of digital signatures and electronic methods of submitting such signatures to the Indenture Trustee, including the risk of the Indenture Trustee acting upon documents with unauthorized signatures and the risk of interception and misuse by third parties.

SECTION 8. Governing Law. **This Supplement shall be governed by and construed in accordance with the laws of the State of New York, without reference to its conflict of law provisions (other than Section 5-1401 of the New York General Obligations Law and Sections 9-301 through 9-306 of the NY UCC), and the obligations, rights and remedies of the parties hereunder shall be determined in accordance with such laws; provided, that, except as set forth in Section 8.02(b) of the Indenture, the creation, attachment and perfection of any Liens created under the Indenture in Securitization Property, and all rights and remedies of the Indenture Trustee and the Holders with respect to the Securitization Property, shall be governed by the laws of the State of Michigan.**

SECTION 9. Issuer Obligation. No recourse may be taken directly or indirectly by the Holders with respect to the obligations of the Issuer on the Securitization Bonds, under the Indenture or this Supplement or any certificate or other writing delivered in connection herewith or therewith, against (a) any owner of a beneficial interest in the Issuer (including Consumers Energy) or (b) any shareholder, partner, owner, beneficiary, officer, director, employee or agent of the Indenture Trustee, the Managers or any owner of a beneficial interest in the Issuer (including Consumers Energy) in its individual capacity, or of any successor or assign of any of them in their respective individual or corporate capacities, except as any such Person may have expressly agreed. Each Holder by accepting a Securitization Bond specifically confirms the nonrecourse nature of these obligations and waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Securitization Bonds.

SECTION 10. Indenture Trustee Disclaimer. The Indenture Trustee is not responsible for the validity or sufficiency of this Supplement or for the recitals contained herein.

SECTION 11. Submission to Non-Exclusive Jurisdiction; Waiver of Jury Trial. **Each of the Issuer and the Indenture Trustee hereby irrevocably submits to the non-exclusive jurisdiction of any New York State court sitting in The Borough of Manhattan in The City of New York or any U.S. federal court sitting in The Borough of Manhattan in The City of New York in respect of any suit, action or proceeding arising out of or relating to this Supplement and the Securitization Bonds and irrevocably accepts for itself and in respect of its respective property, generally and unconditionally, jurisdiction of the aforesaid courts. Each of the Issuer and the Indenture Trustee irrevocably waives, to the fullest extent that it may effectively do so under applicable law, trial by jury.**

IN WITNESS WHEREOF, the Issuer and the Indenture Trustee have caused this Supplement to be duly executed by their respective officers thereunto duly authorized as of the day and year first above written.

CONSUMERS 2023 SECURITIZATION FUNDING LLC,
as Issuer

By: _____
Name: Todd Wehner
Title: Assistant Treasurer

THE BANK OF NEW YORK MELLON,
as Indenture Trustee

By: _____
Name:
Title:

SCHEDULE A
TO SERIES SUPPLEMENT

EXPECTED AMORTIZATION SCHEDULE

OUTSTANDING PRINCIPAL BALANCE

Date	Tranche A-1	Tranche A-2
Closing Date	$ 250,000,000.00	$ 396,000,000.00
9/1/2024	$ 192,403,907.92	$ 396,000,000.00
3/1/2025	$ 150,669,739.57	$ 396,000,000.00
9/1/2025	$ 107,699,405.15	$ 396,000,000.00
3/1/2026	$ 63,456,289.43	$ 396,000,000.00
9/1/2026	$ 17,902,692.62	$ 396,000,000.00
3/1/2027	$ 0.00	$ 366,999,798.28
9/1/2027	$ 0.00	$ 318,764,335.59
3/1/2028	$ 0.00	$ 269,194,438.83
9/1/2028	$ 0.00	$ 218,253,190.88
3/1/2029	$ 0.00	$ 165,902,653.31
9/1/2029	$ 0.00	$ 112,103,838.11
3/1/2030	$ 0.00	$ 56,816,678.69
9/1/2030	$ 0.00	$ 0.00

EXHIBIT A-1
TO SERIES SUPPLEMENT

FORM OF TRANCHE A-1 OF SECURITIZATION BONDS

UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR SECURITIES IN DEFINITIVE REGISTERED FORM, THIS SECURITY MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE CLEARING AGENCY TO THE NOMINEE OF THE CLEARING AGENCY OR BY A NOMINEE OF THE CLEARING AGENCY TO THE CLEARING AGENCY OR ANOTHER NOMINEE OF THE CLEARING AGENCY OR BY THE CLEARING AGENCY OR ANY SUCH NOMINEE TO A SUCCESSOR CLEARING AGENCY OR A NOMINEE OF SUCH SUCCESSOR CLEARING AGENCY. UNLESS THIS SECURITY IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION, TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY SECURITY ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (AND ANY PAYMENT HEREON IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON OR ENTITY IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

No. 1 $250,000,000
Tranche A-1 CUSIP No.: 21071BAA3

THE PRINCIPAL OF THIS TRANCHE A-1 SENIOR SECURED SECURITIZATION BOND, SERIES 2023A (THIS "SECURITIZATION BOND") WILL BE PAID IN INSTALLMENTS AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL AMOUNT OF THIS SECURITIZATION BOND AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ABOVE. THE HOLDER OF THIS SECURITIZATION BOND HAS NO RECOURSE TO THE ISSUER HEREOF AND AGREES TO LOOK ONLY TO THE SECURITIZATION BOND COLLATERAL, AS DESCRIBED IN THE INDENTURE, FOR PAYMENT OF ANY AMOUNTS DUE HEREUNDER. ALL OBLIGATIONS OF THE ISSUER OF THIS SECURITIZATION BOND UNDER THE TERMS OF THE INDENTURE WILL BE RELEASED AND DISCHARGED UPON PAYMENT IN FULL HEREOF OR AS OTHERWISE PROVIDED IN SECTION 3.10(b) OR ARTICLE IV OF THE INDENTURE. THE HOLDER OF THIS SECURITIZATION BOND HEREBY COVENANTS AND AGREES THAT PRIOR TO THE DATE THAT IS ONE YEAR AND ONE DAY AFTER THE PAYMENT IN FULL OF THIS SECURITIZATION BOND, IT WILL NOT INSTITUTE AGAINST, OR JOIN ANY OTHER PERSON IN INSTITUTING AGAINST, THE ISSUER ANY BANKRUPTCY, REORGANIZATION, ARRANGEMENT, INSOLVENCY OR LIQUIDATION PROCEEDINGS OR OTHER SIMILAR PROCEEDING UNDER THE LAWS OF THE UNITED STATES OR ANY STATE OF THE UNITED STATES. NOTHING IN THIS PARAGRAPH SHALL PRECLUDE, OR BE DEEMED TO ESTOP, SUCH HOLDER (A) FROM TAKING OR OMITTING TO TAKE ANY ACTION PRIOR TO SUCH DATE IN (I) ANY CASE OR PROCEEDING VOLUNTARILY FILED OR COMMENCED BY OR ON BEHALF OF THE ISSUER UNDER OR PURSUANT TO ANY SUCH LAW OR (II) ANY INVOLUNTARY CASE OR PROCEEDING PERTAINING TO THE ISSUER THAT IS FILED OR COMMENCED BY OR ON BEHALF OF A PERSON OTHER THAN SUCH HOLDER AND IS NOT JOINED IN BY SUCH HOLDER (OR ANY PERSON TO WHICH SUCH HOLDER SHALL HAVE ASSIGNED, TRANSFERRED OR OTHERWISE CONVEYED ANY PART OF THE OBLIGATIONS OF THE ISSUER HEREUNDER) UNDER OR PURSUANT TO ANY SUCH LAW OR (B) FROM COMMENCING OR PROSECUTING ANY LEGAL ACTION THAT IS NOT AN INVOLUNTARY CASE OR PROCEEDING UNDER OR PURSUANT TO ANY SUCH LAW AGAINST THE ISSUER OR ANY OF ITS PROPERTIES.

THIS SECURITIZATION BOND IS NOT A DEBT OR OBLIGATION OF THE STATE OF MICHIGAN AND IS NOT A CHARGE ON THE FULL FAITH AND CREDIT OR TAXING POWER OF THE STATE OF MICHIGAN. NEITHER CONSUMERS ENERGY COMPANY NOR ANY OF ITS AFFILIATES WILL GUARANTEE OR INSURE THIS SECURITIZATION BOND. NO FINANCING ORDER AUTHORIZING THE ISSUANCE OF THIS SECURITIZATION BOND UNDER THE STATUTE WILL DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OF MICHIGAN OR ANY COUNTY, MUNICIPALITY OR OTHER POLITICAL SUBDIVISION OF THE STATE OF MICHIGAN TO LEVY OR TO PLEDGE ANY FORM OF TAXATION FOR THIS SECURITIZATION BOND OR TO MAKE ANY APPROPRIATION FOR ITS PAYMENT.

CONSUMERS 2023 SECURITIZATION FUNDING LLC
SENIOR SECURED SECURITIZATION BONDS, SERIES 2023A, TRANCHE A-1

SECURITIZATION BOND INTEREST RATE	ORIGINAL PRINCIPAL AMOUNT	SCHEDULED FINAL PAYMENT DATE	FINAL MATURITY DATE
5.55%	$ 250,000,000	March 1, 2027	March 1, 2028

Consumers 2023 Securitization Funding LLC, a limited liability company created under the laws of the State of Delaware (herein referred to as the "Issuer"), for value received, hereby promises to pay to Cede & Co., or registered assigns, the Original Principal Amount shown above in semi-annual installments on the Payment Dates and in the amounts specified below or, if less, the amounts determined pursuant to Section 8.02 of the Indenture, in each year, commencing on the date determined as provided below and ending on or before the Final Maturity Date shown above and to pay interest, at the Securitization Bond Interest Rate shown above, on each March 1 and September 1 or, if any such day is not a Business Day, the next Business Day, commencing on September 1, 2024 and continuing until the earlier of the payment in full of the principal hereof and the Final Maturity Date (each, a "Payment Date"), on the principal amount of this Securitization Bond. Interest on this Securitization Bond will accrue for each Payment Date from the most recent Payment Date on which interest has been paid to but excluding such Payment Date or, if no interest has yet been paid, from the date of issuance. Interest will be computed on the basis of a 360-day year consisting of twelve 30-day months. Such principal of and interest on this Securitization Bond shall be paid in the manner specified below.

The principal of and interest on this Securitization Bond are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. All payments made by the Issuer with respect to this Securitization Bond shall be applied first to interest due and payable on this Securitization Bond as provided above and then to the unpaid principal of and premium, if any, on this Securitization Bond, all in the manner set forth in the Indenture.

Unless the certificate of authentication hereon has been executed by the Indenture Trustee whose name appears below by manual, electronic or facsimile signature, this Securitization Bond shall not be entitled to any benefit under the Indenture referred to below or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Issuer has caused this instrument to be signed, manually, electronically or in facsimile, by its Responsible Officer.

Date: December 12, 2023

CONSUMERS 2023 SECURITIZATION FUNDING LLC,
as Issuer

By: _____
Name: Todd Wehner
Title: Assistant Treasurer

INDENTURE TRUSTEE'S CERTIFICATE OF AUTHENTICATION

Dated: December 12, 2023

This is one of the Tranche A-1 Senior Secured Securitization Bonds, Series 2023A, designated above and referred to in the within-mentioned Indenture.

THE BANK OF NEW YORK MELLON,
as Indenture Trustee

By: _____
Name:
Title:

This Senior Secured Securitization Bond, Series 2023A is one of a duly authorized issue of Senior Secured Securitization Bonds, Series 2023A of the Issuer (herein called the "Bonds"), which Bonds are issuable in one or more Tranches. The Bonds consist of two Tranches, including the Tranche A-1 Senior Secured Securitization Bonds, Series 2023A, which include this Senior Secured Securitization Bond, Series 2023A (herein called the "Securitization Bonds"), all issued and to be issued under that certain Indenture dated as of December 12, 2023 (as supplemented by the Series Supplement (as defined below), the "Indenture"), between the Issuer and The Bank of New York Mellon, in its capacity as indenture trustee (the "Indenture Trustee", which term includes any successor indenture trustee under the Indenture) and in its separate capacities as a securities intermediary (the "Securities Intermediary", which term includes any successor securities intermediary under the Indenture) and as an account bank (the "Account Bank", which term includes any successor account bank under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights and obligations thereunder of the Issuer, the Indenture Trustee and the Holders of the Bonds. For purposes herein, "Series Supplement" means that certain Series Supplement dated as of December 12, 2023 between the Issuer and the Indenture Trustee. All terms used in this Securitization Bond that are defined in the Indenture, as amended, restated, supplemented or otherwise modified from time to time, shall have the meanings assigned to such terms in the Indenture.

All Tranches of Bonds are and will be equally and ratably secured by the Securitization Bond Collateral pledged as security therefor as provided in the Indenture.

The principal of this Securitization Bond shall be payable on each Payment Date only to the extent that amounts in the Collection Account are available therefor, and only until the outstanding principal balance thereof on the preceding Payment Date (after giving effect to all payments of principal, if any, made on the preceding Payment Date) has been reduced to the principal balance specified in the Expected Amortization Schedule that is attached to the Series Supplement as Schedule A, unless payable earlier because an Event of Default shall have occurred and be continuing and the Indenture Trustee or the Holders representing a majority of the Outstanding Amount of the Bonds have declared the Bonds to be immediately due and payable in accordance with Section 5.02 of the Indenture (unless such declaration shall have been rescinded and annulled in accordance with Section 5.02 of the Indenture). However, actual principal payments may be made in lesser than expected amounts and at later than expected times as determined pursuant to Section 8.02 of the Indenture. The entire unpaid principal amount of this Securitization Bond shall be due and payable on the Final Maturity Date hereof. Notwithstanding the foregoing, the entire unpaid principal amount of the Bonds shall be due and payable, if not then previously paid, on the date on which an Event of Default shall have occurred and be continuing and the Indenture Trustee or the Holders of the Bonds representing a majority of the Outstanding Amount of the Bonds have declared the Securitization Bonds to be immediately due and payable in the manner provided in Section 5.02 of the Indenture (unless such declaration shall have been rescinded and annulled in accordance with Section 5.02 of the Indenture). All principal payments on the Securitization Bonds shall be made pro rata to the Holders of the Securitization Bonds entitled thereto based on the respective principal amounts of the Securitization Bonds held by them.

Payments of interest on this Securitization Bond due and payable on each Payment Date, together with the installment of principal or premium, if any, shall be made by check mailed first-class, postage prepaid, to the Person whose name appears as the Registered Holder of this Securitization Bond (or one or more Predecessor Securitization Bonds) on the Securitization Bond Register as of the close of business on the Record Date or in such other manner as may be provided in the Indenture or the Series Supplement, except that (a) upon application to the Indenture Trustee by any Holder owning a Global Securitization Bond evidencing this Securitization Bond not later than the applicable Record Date, payment will be made by wire transfer to an account maintained by such Holder, and (b) if this Securitization Bond is held in Book-Entry Form, payments will be made by wire transfer in immediately available funds to the account designated by the Holder of the applicable Global Securitization Bond evidencing this Securitization Bond unless and until such Global Securitization Bond is exchanged for Definitive Securitization Bonds (in which event payments shall be made as provided above) and except for the final installment of principal and premium, if any, payable with respect to this Securitization Bond on a Payment Date, which shall be payable as provided below. Such checks shall be mailed to the Person entitled thereto at the address of such Person as it appears on the Securitization Bond Register as of the applicable Record Date without requiring that this Securitization Bond be submitted for notation of payment. Any reduction in the principal amount of this Securitization Bond (or any one or more Predecessor Securitization Bonds) effected by any payments made on any Payment Date shall be binding upon all future Holders of this Securitization Bond and of any Securitization Bond issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof, whether or not noted hereon. If funds are expected to be available, as provided in the Indenture, for payment in full of the then-remaining unpaid principal amount of this Securitization Bond on a Payment Date, then the Indenture Trustee, in the name of and on behalf of the Issuer, will notify the Person who was the Registered Holder hereof as of the Record Date preceding such Payment Date by notice mailed no later than five days prior to such final Payment Date and shall specify that such final installment will be payable only upon presentation and surrender of this Securitization Bond and shall specify the place where this Securitization Bond may be presented and surrendered for payment of such installment.

The Issuer shall pay interest on overdue installments of interest at the Securitization Bond Interest Rate to the extent lawful.

This Securitization Bond is a “securitization bond” as such term is defined in the Statute. Principal and interest due and payable on this Securitization Bond are payable from and secured primarily by Securitization Property created and established by the Financing Order obtained from the Commission pursuant to the Statute. Securitization Property consists of the rights and interests of the Seller in the Financing Order, including the right to impose, collect and receive Securitization Charges, the right to obtain True-Up Adjustments and all revenue, collections, payments, moneys and proceeds arising out of the rights and interests created under the Financing Order and the Statute.

Under the laws of the State of Michigan in effect on the Closing Date, pursuant to Section 10n(2) of the Statute, the State of Michigan has pledged for the benefit and protection of the Holders, the Indenture Trustee, other Persons acting for the benefit of the Holders and Consumers Energy that the State of Michigan will not take or permit any action that impairs the value of Securitization Property, reduce or alter, except as allowed under Section 10k(3) of the Statute, or impair Securitization Charges to be imposed, collected and remitted to the Holders, the Indenture Trustee and other Persons acting for the benefit of the Holders, until any principal, interest and premium in respect of Securitization Bonds, and any other charges incurred and contracts to be performed, in connection with Securitization Bonds have been paid or performed in full.

The Issuer hereby acknowledges that the purchase of this Securitization Bond by the Holder hereof or the purchase of any beneficial interest herein by any Person are made in reliance on the foregoing pledge.

As provided in the Indenture and subject to certain limitations set forth therein, the transfer of this Securitization Bond may be registered on the Securitization Bond Register upon surrender of this Securitization Bond for registration of transfer at the office or agency designated by the Issuer pursuant to the Indenture, duly endorsed by, or accompanied by, (a) a written instrument of transfer in form satisfactory to the Indenture Trustee duly executed by the Holder hereof or such Holder's attorney duly authorized in writing, with such signature guaranteed by an institution that is a member of (i) The Securities Transfer Agent Medallion Program (STAMP), (ii) The New York Stock Exchange Medallion Program (MSP) or (iii) The Stock Exchange Medallion Program (SEMP), or such other signature guaranty program acceptable to the Indenture Trustee, and (b) such other documents as the Indenture Trustee may require, and thereupon one or more new Securitization Bonds of Authorized Denominations and in the same aggregate principal amount will be issued to the designated transferee or transferees. No service charge will be charged for any registration of transfer or exchange of this Securitization Bond, but the transferor may be required to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any such registration of transfer or exchange, other than exchanges pursuant to Section 2.04 or Section 2.06 of the Indenture not involving any transfer.

Each Holder, by acceptance of a Securitization Bond, covenants and agrees that no recourse may be taken, directly or indirectly, with respect to the obligations of the Issuer or the Indenture Trustee on the Securitization Bonds or under the Indenture or any certificate or other writing delivered in connection therewith, against (a) any owner of a membership interest in the Issuer (including Consumers Energy) or (b) any shareholder, partner, owner, beneficiary, agent, officer, director or employee of the Indenture Trustee, the Managers or any owner of a membership interest in the Issuer (including Consumers Energy) in its respective individual or corporate capacities, or of any successor or assign of any of them in their individual or corporate capacities, except as any such Person may have expressly agreed in writing. Each Holder by accepting a Securitization Bond specifically confirms the nonrecourse nature of these obligations and waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Securitization Bonds.

Prior to the due presentment for registration of transfer of this Securitization Bond, the Issuer, the Indenture Trustee and any agent of the Issuer or the Indenture Trustee may treat the Person in whose name this Securitization Bond is registered (as of the day of determination) as the owner hereof for the purpose of receiving payments of principal of and premium, if any, and interest on this Securitization Bond and for all other purposes whatsoever, whether or not this Securitization Bond be overdue, and none of the Issuer, the Indenture Trustee or any such agent shall be affected by notice to the contrary.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Issuer and the rights of the Holders of the Securitization Bonds under the Indenture at any time by the Issuer with the consent of the Holders representing a majority of the Outstanding Amount of all Securitization Bonds at the time outstanding of each Tranche to be affected. The Indenture also contains provisions permitting the Holders representing specified percentages of the Outstanding Amount of the Securitization Bonds, on behalf of the Holders of all the Securitization Bonds, to waive compliance by the Issuer with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Securitization Bond (or any one of more Predecessor Securitization Bonds) shall be conclusive and binding upon such Holder and upon all future Holders of this Securitization Bond and of any Securitization Bond issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent or waiver is made upon this Securitization Bond. The Indenture also permits the Indenture Trustee to amend or waive certain terms and conditions set forth in the Indenture without the consent of Holders of the Securitization Bonds issued thereunder.

The Indenture contains provisions for defeasance at any time of (a) the entire indebtedness of the Issuer on this Securitization Bond and (b) certain restrictive covenants and the related Events of Default, upon compliance by the Issuer with certain conditions set forth in the Indenture, which provisions apply to this Securitization Bond.

The term "Issuer" as used in this Securitization Bond includes any successor to the Issuer under the Indenture.

The Issuer is permitted by the Indenture, under certain circumstances, to merge or consolidate, subject to the rights of the Indenture Trustee and the Holders under the Indenture.

The Securitization Bonds are issuable only in registered form in denominations as provided in the Indenture and the Series Supplement subject to certain limitations therein set forth.

This Securitization Bond, the Indenture and the Series Supplement shall be construed in accordance with the laws of the State of New York, without reference to its conflict of law provisions (other than Section 5-1401 of the New York General Obligations Law and Sections 9-301 through 9-306 of the NY UCC), and the obligations, rights and remedies of the parties hereunder and thereunder shall be determined in accordance with such laws; provided, that the creation, attachment and perfection of any Liens created under the Indenture in Securitization Property, and all rights and remedies of the Indenture Trustee and the Holders with respect to the Securitization Property, shall be governed by the laws of the State of Michigan.

No reference herein to the Indenture and no provision of this Securitization Bond or of the Indenture shall alter or impair the obligation, which is absolute and unconditional, to pay the principal of and interest on this Securitization Bond at the times, place and rate and in the coin or currency herein prescribed.

The Issuer and the Indenture Trustee, by entering into the Indenture, and the Holders and any Persons holding a beneficial interest in any Securitization Bond, by acquiring any Securitization Bond or interest therein, (a) express their intention that, solely for the purpose of U.S. federal taxes and, to the extent consistent with applicable State, local and other tax law, solely for the purpose of State, local and other taxes, the Securitization Bonds qualify under applicable tax law as indebtedness of the sole owner of the Issuer secured by the Securitization Bond Collateral and (b) solely for purposes of U.S. federal taxes and, to the extent consistent with applicable State, local and other tax law, solely for purposes of State, local and other taxes, so long as any of the Securitization Bonds are outstanding, agree to treat the Securitization Bonds as indebtedness of the sole owner of the Issuer secured by the Securitization Bond Collateral unless otherwise required by appropriate taxing authorities.

ABBREVIATIONS

The following abbreviations, when used above on this Securitization Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM	as tenants in common
TEN ENT	as tenants by the entireties
JT TEN	as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT _____ (Custodian) Under Uniform Gifts to Minor Act Custodian _____ (minor) (_____ (State))

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT

Social Security or taxpayer I.D. or other identifying number of assignee _____

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

_____

(name and address of assignee)

the within Securitization Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to transfer said Securitization Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

_____

Signature Guaranteed:

_____

The signature to this assignment must correspond with the name of the registered owner as it appears on the within Securitization Bond in every particular, without alteration, enlargement or any change whatsoever.

NOTE: Signature(s) must be guaranteed by an institution that is a member of: (i) The Securities Transfer Agent Medallion Program (STAMP); (ii) The New York Stock Exchange Medallion Program (MSP); (iii) the Stock Exchange Medallion Program (SEMP); or (iv) such other signature guaranty program acceptable to the Indenture Trustee.

EXHIBIT A-2
TO SERIES SUPPLEMENT

FORM OF TRANCHE A-2 OF SECURITIZATION BONDS

UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR SECURITIES IN DEFINITIVE REGISTERED FORM, THIS SECURITY MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE CLEARING AGENCY TO THE NOMINEE OF THE CLEARING AGENCY OR BY A NOMINEE OF THE CLEARING AGENCY TO THE CLEARING AGENCY OR ANOTHER NOMINEE OF THE CLEARING AGENCY OR BY THE CLEARING AGENCY OR ANY SUCH NOMINEE TO A SUCCESSOR CLEARING AGENCY OR A NOMINEE OF SUCH SUCCESSOR CLEARING AGENCY. UNLESS THIS SECURITY IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION, TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY SECURITY ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (AND ANY PAYMENT HEREON IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON OR ENTITY IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

No. 2 $396,000,000
Tranche A-2 CUSIP No.: 21071BAB1

THE PRINCIPAL OF THIS TRANCHE A-2 SENIOR SECURED SECURITIZATION BOND, SERIES 2023A (THIS "SECURITIZATION BOND") WILL BE PAID IN INSTALLMENTS AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL AMOUNT OF THIS SECURITIZATION BOND AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ABOVE. THE HOLDER OF THIS SECURITIZATION BOND HAS NO RECOURSE TO THE ISSUER HEREOF AND AGREES TO LOOK ONLY TO THE SECURITIZATION BOND COLLATERAL, AS DESCRIBED IN THE INDENTURE, FOR PAYMENT OF ANY AMOUNTS DUE HEREUNDER. ALL OBLIGATIONS OF THE ISSUER OF THIS SECURITIZATION BOND UNDER THE TERMS OF THE INDENTURE WILL BE RELEASED AND DISCHARGED UPON PAYMENT IN FULL HEREOF OR AS OTHERWISE PROVIDED IN SECTION 3.10(b) OR ARTICLE IV OF THE INDENTURE. THE HOLDER OF THIS SECURITIZATION BOND HEREBY COVENANTS AND AGREES THAT PRIOR TO THE DATE THAT IS ONE YEAR AND ONE DAY AFTER THE PAYMENT IN FULL OF THIS SECURITIZATION BOND, IT WILL NOT INSTITUTE AGAINST, OR JOIN ANY OTHER PERSON IN INSTITUTING AGAINST, THE ISSUER ANY BANKRUPTCY, REORGANIZATION, ARRANGEMENT, INSOLVENCY OR LIQUIDATION PROCEEDINGS OR OTHER SIMILAR PROCEEDING UNDER THE LAWS OF THE UNITED STATES OR ANY STATE OF THE UNITED STATES. NOTHING IN THIS PARAGRAPH SHALL PRECLUDE, OR BE DEEMED TO ESTOP, SUCH HOLDER (A) FROM TAKING OR OMITTING TO TAKE ANY ACTION PRIOR TO SUCH DATE IN (I) ANY CASE OR PROCEEDING VOLUNTARILY FILED OR COMMENCED BY OR ON BEHALF OF THE ISSUER UNDER OR PURSUANT TO ANY SUCH LAW OR (II) ANY INVOLUNTARY CASE OR PROCEEDING PERTAINING TO THE ISSUER THAT IS FILED OR COMMENCED BY OR ON BEHALF OF A PERSON OTHER THAN SUCH HOLDER AND IS NOT JOINED IN BY SUCH HOLDER (OR ANY PERSON TO WHICH SUCH HOLDER SHALL HAVE ASSIGNED, TRANSFERRED OR OTHERWISE CONVEYED ANY PART OF THE OBLIGATIONS OF THE ISSUER HEREUNDER) UNDER OR PURSUANT TO ANY SUCH LAW OR (B) FROM COMMENCING OR PROSECUTING ANY LEGAL ACTION THAT IS NOT AN INVOLUNTARY CASE OR PROCEEDING UNDER OR PURSUANT TO ANY SUCH LAW AGAINST THE ISSUER OR ANY OF ITS PROPERTIES.

THIS SECURITIZATION BOND IS NOT A DEBT OR OBLIGATION OF THE STATE OF MICHIGAN AND IS NOT A CHARGE ON THE FULL FAITH AND CREDIT OR TAXING POWER OF THE STATE OF MICHIGAN. NEITHER CONSUMERS ENERGY COMPANY NOR ANY OF ITS AFFILIATES WILL GUARANTEE OR INSURE THIS SECURITIZATION BOND. NO FINANCING ORDER AUTHORIZING THE ISSUANCE OF THIS SECURITIZATION BOND UNDER THE STATUTE WILL DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OF MICHIGAN OR ANY COUNTY, MUNICIPALITY OR OTHER POLITICAL SUBDIVISION OF THE STATE OF MICHIGAN TO LEVY OR TO PLEDGE ANY FORM OF TAXATION FOR THIS SECURITIZATION BOND OR TO MAKE ANY APPROPRIATION FOR ITS PAYMENT.

CONSUMERS 2023 SECURITIZATION FUNDING LLC
SENIOR SECURED SECURITIZATION BONDS, SERIES 2023A, TRANCHE A-2

SECURITIZATION BOND INTEREST RATE	ORIGINAL PRINCIPAL AMOUNT	SCHEDULED FINAL PAYMENT DATE	FINAL MATURITY DATE
5.21%	$ 396,000,000	September 1, 2030	September 1, 2031

Consumers 2023 Securitization Funding LLC, a limited liability company created under the laws of the State of Delaware (herein referred to as the "Issuer"), for value received, hereby promises to pay to Cede & Co., or registered assigns, the Original Principal Amount shown above in semi-annual installments on the Payment Dates and in the amounts specified below or, if less, the amounts determined pursuant to Section 8.02 of the Indenture, in each year, commencing on the date determined as provided below and ending on or before the Final Maturity Date shown above and to pay interest, at the Securitization Bond Interest Rate shown above, on each March 1 and September 1 or, if any such day is not a Business Day, the next Business Day, commencing on September 1, 2024 and continuing until the earlier of the payment in full of the principal hereof and the Final Maturity Date (each, a "Payment Date"), on the principal amount of this Securitization Bond. Interest on this Securitization Bond will accrue for each Payment Date from the most recent Payment Date on which interest has been paid to but excluding such Payment Date or, if no interest has yet been paid, from the date of issuance. Interest will be computed on the basis of a 360-day year consisting of twelve 30-day months. Such principal of and interest on this Securitization Bond shall be paid in the manner specified below.

The principal of and interest on this Securitization Bond are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. All payments made by the Issuer with respect to this Securitization Bond shall be applied first to interest due and payable on this Securitization Bond as provided above and then to the unpaid principal of and premium, if any, on this Securitization Bond, all in the manner set forth in the Indenture.

Unless the certificate of authentication hereon has been executed by the Indenture Trustee whose name appears below by manual, electronic or facsimile signature, this Securitization Bond shall not be entitled to any benefit under the Indenture referred to below or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Issuer has caused this instrument to be signed, manually, electronically or in facsimile, by its Responsible Officer.

Date: December 12, 2023

CONSUMERS 2023 SECURITIZATION FUNDING LLC,
as Issuer

By: _____
Name: Todd Wehner
Title: Assistant Treasurer

INDENTURE TRUSTEE'S CERTIFICATE OF AUTHENTICATION

Dated: December 12, 2023

This is one of the Tranche A-2 Senior Secured Securitization Bonds, Series 2023A, designated above and referred to in the within-mentioned Indenture.

THE BANK OF NEW YORK MELLON
as Indenture Trustee

By: _____
Name:
Title:

This Senior Secured Securitization Bond, Series 2023A is one of a duly authorized issue of Senior Secured Securitization Bonds, Series 2023A of the Issuer (herein called the "Bonds"), which Bonds are issuable in one or more Tranches. The Bonds consist of two Tranches, including the Tranche A-2 Senior Secured Securitization Bonds, Series 2023A, which include this Senior Secured Securitization Bond, Series 2023A (herein called the "Securitization Bonds"), all issued and to be issued under that certain Indenture dated as of December 12, 2023 (as supplemented by the Series Supplement (as defined below), the "Indenture"), between the Issuer and The Bank of New York Mellon, in its capacity as indenture trustee (the "Indenture Trustee", which term includes any successor indenture trustee under the Indenture) and in its separate capacities as a securities intermediary (the "Securities Intermediary", which term includes any successor securities intermediary under the Indenture) and as an account bank (the "Account Bank", which term includes any successor account bank under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights and obligations thereunder of the Issuer, the Indenture Trustee and the Holders of the Bonds. For purposes herein, "Series Supplement" means that certain Series Supplement dated as of December 12, 2023 between the Issuer and the Indenture Trustee. All terms used in this Securitization Bond that are defined in the Indenture, as amended, restated, supplemented or otherwise modified from time to time, shall have the meanings assigned to such terms in the Indenture.

All Tranches of Bonds are and will be equally and ratably secured by the Securitization Bond Collateral pledged as security therefor as provided in the Indenture.

The principal of this Securitization Bond shall be payable on each Payment Date only to the extent that amounts in the Collection Account are available therefor, and only until the outstanding principal balance thereof on the preceding Payment Date (after giving effect to all payments of principal, if any, made on the preceding Payment Date) has been reduced to the principal balance specified in the Expected Amortization Schedule that is attached to the Series Supplement as Schedule A, unless payable earlier because an Event of Default shall have occurred and be continuing and the Indenture Trustee or the Holders representing a majority of the Outstanding Amount of the Bonds have declared the Bonds to be immediately due and payable in accordance with Section 5.02 of the Indenture (unless such declaration shall have been rescinded and annulled in accordance with Section 5.02 of the Indenture). However, actual principal payments may be made in lesser than expected amounts and at later than expected times as determined pursuant to Section 8.02 of the Indenture. The entire unpaid principal amount of this Securitization Bond shall be due and payable on the Final Maturity Date hereof. Notwithstanding the foregoing, the entire unpaid principal amount of the Bonds shall be due and payable, if not then previously paid, on the date on which an Event of Default shall have occurred and be continuing and the Indenture Trustee or the Holders of the Bonds representing a majority of the Outstanding Amount of the Bonds have declared the Securitization Bonds to be immediately due and payable in the manner provided in Section 5.02 of the Indenture (unless such declaration shall have been rescinded and annulled in accordance with Section 5.02 of the Indenture). All principal payments on the Securitization Bonds shall be made pro rata to the Holders of the Securitization Bonds entitled thereto based on the respective principal amounts of the Securitization Bonds held by them.

Payments of interest on this Securitization Bond due and payable on each Payment Date, together with the installment of principal or premium, if any, shall be made by check mailed first-class, postage prepaid, to the Person whose name appears as the Registered Holder of this Securitization Bond (or one or more Predecessor Securitization Bonds) on the Securitization Bond Register as of the close of business on the Record Date or in such other manner as may be provided in the Indenture or the Series Supplement, except that (a) upon application to the Indenture Trustee by any Holder owning a Global Securitization Bond evidencing this Securitization Bond not later than the applicable Record Date, payment will be made by wire transfer to an account maintained by such Holder, and (b) if this Securitization Bond is held in Book-Entry Form, payments will be made by wire transfer in immediately available funds to the account designated by the Holder of the applicable Global Securitization Bond evidencing this Securitization Bond unless and until such Global Securitization Bond is exchanged for Definitive Securitization Bonds (in which event payments shall be made as provided above) and except for the final installment of principal and premium, if any, payable with respect to this Securitization Bond on a Payment Date, which shall be payable as provided below. Such checks shall be mailed to the Person entitled thereto at the address of such Person as it appears on the Securitization Bond Register as of the applicable Record Date without requiring that this Securitization Bond be submitted for notation of payment. Any reduction in the principal amount of this Securitization Bond (or any one or more Predecessor Securitization Bonds) effected by any payments made on any Payment Date shall be binding upon all future Holders of this Securitization Bond and of any Securitization Bond issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof, whether or not noted hereon. If funds are expected to be available, as provided in the Indenture, for payment in full of the then-remaining unpaid principal amount of this Securitization Bond on a Payment Date, then the Indenture Trustee, in the name of and on behalf of the Issuer, will notify the Person who was the Registered Holder hereof as of the Record Date preceding such Payment Date by notice mailed no later than five days prior to such final Payment Date and shall specify that such final installment will be payable only upon presentation and surrender of this Securitization Bond and shall specify the place where this Securitization Bond may be presented and surrendered for payment of such installment.

The Issuer shall pay interest on overdue installments of interest at the Securitization Bond Interest Rate to the extent lawful.

This Securitization Bond is a "securitization bond" as such term is defined in the Statute. Principal and interest due and payable on this Securitization Bond are payable from and secured primarily by Securitization Property created and established by the Financing Order obtained from the Commission pursuant to the Statute. Securitization Property consists of the rights and interests of the Seller in the Financing Order, including the right to impose, collect and receive Securitization Charges, the right to obtain True-Up Adjustments and all revenue, collections, payments, moneys and proceeds arising out of the rights and interests created under the Financing Order and the Statute.

Under the laws of the State of Michigan in effect on the Closing Date, pursuant to Section 10n(2) of the Statute, the State of Michigan has pledged for the benefit and protection of the Holders, the Indenture Trustee, other Persons acting for the benefit of the Holders and Consumers Energy that the State of Michigan will not take or permit any action that impairs the value of Securitization Property, reduce or alter, except as allowed under Section 10k(3) of the Statute, or impair Securitization Charges to be imposed, collected and remitted to the Holders, the Indenture Trustee and other Persons acting for the benefit of the Holders, until any principal, interest and premium in respect of Securitization Bonds, and any other charges incurred and contracts to be performed, in connection with Securitization Bonds have been paid or performed in full.

The Issuer hereby acknowledges that the purchase of this Securitization Bond by the Holder hereof or the purchase of any beneficial interest herein by any Person are made in reliance on the foregoing pledge.

As provided in the Indenture and subject to certain limitations set forth therein, the transfer of this Securitization Bond may be registered on the Securitization Bond Register upon surrender of this Securitization Bond for registration of transfer at the office or agency designated by the Issuer pursuant to the Indenture, duly endorsed by, or accompanied by, (a) a written instrument of transfer in form satisfactory to the Indenture Trustee duly executed by the Holder hereof or such Holder's attorney duly authorized in writing, with such signature guaranteed by an institution that is a member of (i) The Securities Transfer Agent Medallion Program (STAMP), (ii) The New York Stock Exchange Medallion Program (MSP) or (iii) The Stock Exchange Medallion Program (SEMP), or such other signature guaranty program acceptable to the Indenture Trustee, and (b) such other documents as the Indenture Trustee may require, and thereupon one or more new Securitization Bonds of Authorized Denominations and in the same aggregate principal amount will be issued to the designated transferee or transferees. No service charge will be charged for any registration of transfer or exchange of this Securitization Bond, but the transferor may be required to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any such registration of transfer or exchange, other than exchanges pursuant to Section 2.04 or Section 2.06 of the Indenture not involving any transfer.

Each Holder, by acceptance of a Securitization Bond, covenants and agrees that no recourse may be taken, directly or indirectly, with respect to the obligations of the Issuer or the Indenture Trustee on the Securitization Bonds or under the Indenture or any certificate or other writing delivered in connection therewith, against (a) any owner of a membership interest in the Issuer (including Consumers Energy) or (b) any shareholder, partner, owner, beneficiary, agent, officer, director or employee of the Indenture Trustee, the Managers or any owner of a membership interest in the Issuer (including Consumers Energy) in its respective individual or corporate capacities, or of any successor or assign of any of them in their individual or corporate capacities, except as any such Person may have expressly agreed in writing. Each Holder by accepting a Securitization Bond specifically confirms the nonrecourse nature of these obligations and waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Securitization Bonds.

Prior to the due presentment for registration of transfer of this Securitization Bond, the Issuer, the Indenture Trustee and any agent of the Issuer or the Indenture Trustee may treat the Person in whose name this Securitization Bond is registered (as of the day of determination) as the owner hereof for the purpose of receiving payments of principal of and premium, if any, and interest on this Securitization Bond and for all other purposes whatsoever, whether or not this Securitization Bond be overdue, and none of the Issuer, the Indenture Trustee or any such agent shall be affected by notice to the contrary.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Issuer and the rights of the Holders of the Securitization Bonds under the Indenture at any time by the Issuer with the consent of the Holders representing a majority of the Outstanding Amount of all Securitization Bonds at the time outstanding of each Tranche to be affected. The Indenture also contains provisions permitting the Holders representing specified percentages of the Outstanding Amount of the Securitization Bonds, on behalf of the Holders of all the Securitization Bonds, to waive compliance by the Issuer with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Securitization Bond (or any one of more Predecessor Securitization Bonds) shall be conclusive and binding upon such Holder and upon all future Holders of this Securitization Bond and of any Securitization Bond issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent or waiver is made upon this Securitization Bond. The Indenture also permits the Indenture Trustee to amend or waive certain terms and conditions set forth in the Indenture without the consent of Holders of the Securitization Bonds issued thereunder.

The Indenture contains provisions for defeasance at any time of (a) the entire indebtedness of the Issuer on this Securitization Bond and (b) certain restrictive covenants and the related Events of Default, upon compliance by the Issuer with certain conditions set forth in the Indenture, which provisions apply to this Securitization Bond.

The term "Issuer" as used in this Securitization Bond includes any successor to the Issuer under the Indenture.

The Issuer is permitted by the Indenture, under certain circumstances, to merge or consolidate, subject to the rights of the Indenture Trustee and the Holders under the Indenture.

The Securitization Bonds are issuable only in registered form in denominations as provided in the Indenture and the Series Supplement subject to certain limitations therein set forth.

This Securitization Bond, the Indenture and the Series Supplement shall be construed in accordance with the laws of the State of New York, without reference to its conflict of law provisions (other than Section 5-1401 of the New York General Obligations Law and Sections 9-301 through 9-306 of the NY UCC), and the obligations, rights and remedies of the parties hereunder and thereunder shall be determined in accordance with such laws; provided, that the creation, attachment and perfection of any Liens created under the Indenture in Securitization Property, and all rights and remedies of the Indenture Trustee and the Holders with respect to the Securitization Property, shall be governed by the laws of the State of Michigan.

No reference herein to the Indenture and no provision of this Securitization Bond or of the Indenture shall alter or impair the obligation, which is absolute and unconditional, to pay the principal of and interest on this Securitization Bond at the times, place and rate and in the coin or currency herein prescribed.

The Issuer and the Indenture Trustee, by entering into the Indenture, and the Holders and any Persons holding a beneficial interest in any Securitization Bond, by acquiring any Securitization Bond or interest therein, (a) express their intention that, solely for the purpose of U.S. federal taxes and, to the extent consistent with applicable State, local and other tax law, solely for the purpose of State, local and other taxes, the Securitization Bonds qualify under applicable tax law as indebtedness of the sole owner of the Issuer secured by the Securitization Bond Collateral and (b) solely for purposes of U.S. federal taxes and, to the extent consistent with applicable State, local and other tax law, solely for purposes of State, local and other taxes, so long as any of the Securitization Bonds are outstanding, agree to treat the Securitization Bonds as indebtedness of the sole owner of the Issuer secured by the Securitization Bond Collateral unless otherwise required by appropriate taxing authorities.

ABBREVIATIONS

The following abbreviations, when used above on this Securitization Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM	as tenants in common
TEN ENT	as tenants by the entireties
JT TEN	as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT _____ (Custodian) Under Uniform Gifts to Minor Act Custodian _____ (minor) (_____ (State))

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT

Social Security or taxpayer I.D. or other identifying number of assignee _____

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

_____

(name and address of assignee)

the within Securitization Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to transfer said Securitization Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

_____
Signature Guaranteed:

_____

The signature to this assignment must correspond with the name of the registered owner as it appears on the within Securitization Bond in every particular, without alteration, enlargement or any change whatsoever.

NOTE: Signature(s) must be guaranteed by an institution that is a member of: (i) The Securities Transfer Agent Medallion Program (STAMP); (ii) The New York Stock Exchange Medallion Program (MSP); (iii) the Stock Exchange Medallion Program (SEMP); or (iv) such other signature guaranty program acceptable to the Indenture Trustee.

Exhibit 10.1

SECURITIZATION PROPERTY SERVICING AGREEMENT

by and between

CONSUMERS 2023 SECURITIZATION FUNDING LLC,

Issuer

and

CONSUMERS ENERGY COMPANY,

Servicer

Acknowledged and Accepted by

The Bank of New York Mellon, as Indenture Trustee

Dated as of December 12, 2023

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EXHIBITS

APPENDIX

This SECURITIZATION PROPERTY SERVICING AGREEMENT, dated as of December 12, 2023, is by and between CONSUMERS 2023 SECURITIZATION FUNDING LLC, a Delaware limited liability company, as issuer, and CONSUMERS ENERGY COMPANY, a Michigan corporation, as servicer, and acknowledged and accepted by The Bank of New York Mellon, as indenture trustee.

RECITALS

WHEREAS, pursuant to the Statute and the Financing Order, Consumers Energy, in its capacity as seller, and the Issuer are concurrently entering into the Sale Agreement pursuant to which the Seller is selling and the Issuer is purchasing certain Securitization Property created pursuant to the Statute and the Financing Order described therein;

WHEREAS, in connection with its ownership of the Securitization Property and in order to collect the associated Securitization Charges, the Issuer desires to engage the Servicer to carry out the functions described herein and the Servicer desires to be so engaged;

WHEREAS, the Issuer desires to engage the Servicer to act on its behalf in obtaining True-Up Adjustments from the Commission and the Servicer desires to be so engaged;

WHEREAS, the Securitization Charge Collections initially will be commingled with other funds collected by the Servicer; and

WHEREAS, certain parties may have an interest in such commingled collections, and such parties will have entered into the Intercreditor Agreement, which allows Consumers Energy to allocate the collected, commingled funds according to each party's interest;

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS AND RULES OF CONSTRUCTION

SECTION 1.01. Definitions and Rules of Construction. Capitalized terms used but not otherwise defined in this Servicing Agreement shall have the respective meanings given to such terms in Appendix A, which is hereby incorporated by reference into this Servicing Agreement as if set forth fully in this Servicing Agreement. Not all terms defined in Appendix A are used in this Servicing Agreement. The rules of construction set forth in Appendix A shall apply to this Servicing Agreement and are hereby incorporated by reference into this Servicing Agreement as if set forth fully in this Servicing Agreement.

ARTICLE II
APPOINTMENT AND AUTHORIZATION

SECTION 2.01. Appointment of Servicer; Acceptance of Appointment. The Issuer hereby appoints the Servicer, and the Servicer, as an independent contractor, hereby accepts such appointment, to perform the Servicer's obligations pursuant to this Servicing Agreement on behalf of and for the benefit of the Issuer or any assignee thereof in accordance with the terms of this Servicing Agreement and applicable law as it applies to the Servicer in its capacity as servicer hereunder. This appointment and the Servicer's acceptance thereof may not be revoked except in accordance with the express terms of this Servicing Agreement. The Servicer shall at all times take all steps necessary and appropriate to maintain its own separateness from the Issuer.

SECTION 2.02. Authorization. With respect to all or any portion of the Securitization Property, the Servicer shall be, and hereby is, authorized and empowered by the Issuer to (a) execute and deliver, on behalf of itself and/or the Issuer, as the case may be, any and all instruments, documents or notices, and (b) on behalf of itself and/or the Issuer, as the case may be, make any filing and participate in proceedings of any kind with any Governmental Authority, including with the Commission. The Issuer shall execute and deliver to the Servicer such documents as have been prepared by the Servicer for execution by the Issuer and shall furnish the Servicer with such other documents as may be in the Issuer's possession, in each case as the Servicer may determine to be necessary or appropriate to enable it to carry out its servicing and administrative duties hereunder. Upon the Servicer's written request, the Issuer shall furnish the Servicer with any powers of attorney or other documents necessary or appropriate to enable the Servicer to carry out its duties hereunder.

SECTION 2.03. Dominion and Control Over the Securitization Property. Notwithstanding any other provision herein, the Issuer shall have dominion and control over the Securitization Property, and the Servicer, in accordance with the terms hereof, is acting solely as the servicing agent and custodian for the Issuer with respect to the Securitization Property and the Securitization Property Records. The Servicer shall not take any action that is not authorized by this Servicing Agreement, that would contravene the Statute, the Commission Regulations or the Financing Order, that is not consistent with its customary procedures and practices or that shall impair the rights of the Issuer or the Indenture Trustee (on behalf of the Holders) in the Securitization Property, in each case unless such action is required by applicable law or court or regulatory order.

ARTICLE III
ROLE OF SERVICER

SECTION 3.01. Duties of Servicer. The Servicer, as agent for the Issuer, shall have the following duties:

(a) Duties of Servicer Generally. The Servicer's duties in general shall include: management, servicing and administration of the Securitization Property; obtaining meter reads, calculating usage and billing, collecting and posting all payments in respect of the Securitization Property or Securitization Charges; responding to inquiries by Customers, the Commission or any other Governmental Authority with respect to the Securitization Property or Securitization Charges; delivering Bills to Customers; investigating and handling delinquencies (and furnishing reports with respect to such delinquencies to the Issuer), processing and depositing collections and making periodic remittances; furnishing periodic reports to the Issuer, the Indenture Trustee and the Rating Agencies; making all filings with the Commission and taking such other action as may be necessary to perfect the Issuer's ownership interests in and the Indenture Trustee's first priority Lien on the Securitization Property; making all filings and taking such other action as may be necessary to perfect and maintain the perfection and priority of the Indenture Trustee's Lien on all Securitization Bond Collateral; selling as the agent for the Issuer as its interests may appear defaulted or written off accounts in accordance with the Servicer's usual and customary practices; taking all necessary action in connection with True-Up Adjustments as set forth herein; and performing such other duties as may be specified under the Financing Order to be performed by it. Anything to the contrary notwithstanding, the duties of the Servicer set forth in this Servicing Agreement shall be qualified in their entirety by the Statute, any Commission Regulations, the Financing Order and the U.S. federal securities laws and the rules and regulations promulgated thereunder, including Regulation AB, as in effect at the time such duties are to be performed. Without limiting the generality of this Section 3.01(a), in furtherance of the foregoing, the Servicer hereby agrees that it shall also have, and shall comply with, the duties and responsibilities relating to data acquisition, usage and bill calculation, billing, customer service functions, collections, posting, payment processing and remittance set forth in Exhibit A. Any processing and depositing of collections, making of periodic remittances and furnishing of periodic reports set forth in this Section 3.01(a) shall be subject to the provisions of the Intercreditor Agreement.

(b) Reporting Functions.

(i) Monthly Servicer's Certificate. On or before the last Servicer Business Day of each month, the Servicer shall prepare and deliver to the Issuer, the Indenture Trustee and the Rating Agencies a written report substantially in the form of Exhibit B (a "Monthly Servicer's Certificate") setting forth certain information relating to Securitization Charges billed by the Servicer and remitted to the Indenture Trustee during the Collection Period preceding such date; provided, however, that, for any month in which the Servicer is required to deliver a Semi-Annual Servicer's Certificate pursuant to Section 4.01(c)(ii), the Servicer shall prepare and deliver the Monthly Servicer's Certificate no later than the date of delivery of such Semi-Annual Servicer's Certificate.

(ii) Notification of Laws and Regulations. The Servicer shall immediately notify the Issuer, the Indenture Trustee and the Rating Agencies in writing of any Requirement of Law or Commission Regulations hereafter promulgated that have a material adverse effect on the Servicer's ability to perform its duties under this Servicing Agreement.

(iii) Other Information. Upon the reasonable request of the Issuer, the Indenture Trustee or any Rating Agency, the Servicer shall provide to the Issuer, the Indenture Trustee or such Rating Agency, as the case may be, any public financial information in respect of the Servicer, or any material information regarding the Securitization Property to the extent it is reasonably available to the Servicer, as may be reasonably necessary and permitted by law to enable the Issuer, the Indenture Trustee or the Rating Agencies to monitor the performance by the Servicer hereunder; provided, however, that any such request by the Indenture Trustee shall not create any obligation for the Indenture Trustee to monitor the performance of the Servicer. In addition, so long as any of the Securitization Bonds are outstanding, the Servicer shall provide the Issuer and the Indenture Trustee, within a reasonable time after written request therefor, any information available to the Servicer or reasonably obtainable by it that is necessary to calculate the Securitization Charges applicable to each Securitization Rate Class.

(iv) Preparation of Reports. The Servicer shall prepare and deliver such additional reports as required under this Servicing Agreement, including a copy of each Semi-Annual Servicer's Certificate described in Section 4.01(c)(ii), the annual statements of compliance, attestation reports and other certificates described in Section 3.03 and the Annual Accountant's Report described in Section 3.04. In addition, the Servicer shall prepare, procure, deliver and/or file, or cause to be prepared, procured, delivered or filed, any reports, attestations, exhibits, certificates or other documents required to be delivered or filed with the SEC (and/or any other Governmental Authority) by the Issuer or the Sponsor under the U.S. federal securities or other applicable laws or in accordance with the Basic Documents, including filing with the SEC, if applicable and required by applicable law, a copy or copies of (A) the Monthly Servicer's Certificates described in Section 3.01(b)(i) (under Form 10-D or any other applicable form), (B) the Semi-Annual Servicer's Certificates described in Section 4.01(c)(ii) (under Form 10-D or any other applicable form), (C) the annual statements of compliance, attestation reports and other certificates described in Section 3.03 and (D) the Annual Accountant's Report (and any attestation required under Regulation AB) described in Section 3.04. In addition, the appropriate officer or officers of the Servicer shall (in its separate capacity as Servicer) sign the Sponsor's annual report on Form 10-K (and any other applicable SEC or other reports, attestations, certifications and other documents), to the extent that the Servicer's signature is required by, and consistent with, the U.S. federal securities laws and/or any other applicable law.

(c) Opinions of Counsel. The Servicer shall obtain on behalf of the Issuer and deliver to the Issuer and the Indenture Trustee:

(i) promptly after the execution and delivery of this Servicing Agreement and of each amendment hereto, an Opinion of Counsel from external counsel of the Issuer either (A) to the effect that, in the opinion of such counsel, all filings, including filings with the Michigan Department of State and the Secretary of State of the State of Delaware, that are necessary under the UCC and the Statute to fully perfect and maintain the Liens of the Indenture Trustee in the Securitization Property have been authorized, executed and filed, and reciting the details of such filings or referring to prior Opinions of Counsel in which such details are given, or (B) to the effect that, in the opinion of such counsel, no such action shall be necessary to perfect and maintain such Liens; and

(ii) within 90 days after the beginning of each calendar year beginning with the first calendar year beginning more than three months after the date hereof, an Opinion of Counsel, which counsel may be an employee of or counsel to the Issuer or the Servicer, or external counsel of the Issuer, dated as of a date during such 90-day period, either (A) to the effect that, in the opinion of such counsel, all filings, including filings with the Michigan Department of State and the Secretary of State of the State of Delaware, have been executed and filed that are necessary under the UCC and the Statute to fully perfect and maintain the Liens of the Indenture Trustee in the Securitization Property, and reciting the details of such filings or referring to prior Opinions of Counsel in which such details are given, or (B) to the effect that, in the opinion of such counsel, no such action shall be necessary to perfect and maintain such Liens.

Each Opinion of Counsel referred to in Section 3.01(c)(i) or Section 3.01(c)(ii) above shall specify any action necessary (as of the date of such opinion) to be taken in the following year to perfect and maintain such interest or Lien.

SECTION 3.02. Servicing and Maintenance Standards. On behalf of the Issuer, the Servicer shall: (a) manage, service, administer, bill, collect and post collections in respect of the Securitization Property with reasonable care and in material compliance with each applicable Requirement of Law, including all applicable Commission Regulations and guidelines, using the same degree of care and diligence that the Servicer exercises with respect to similar assets for its own account and, if applicable, for others; (b) follow standards, policies and procedures in performing its duties as Servicer that are customary in the electric distribution industry; (c) use all reasonable efforts, consistent with its customary servicing procedures, to enforce, and maintain rights in respect of, the Securitization Property and to bill, collect and post the Securitization Charges; (d) comply with each Requirement of Law, including all applicable Commission Regulations and guidelines, applicable to and binding on it relating to the Securitization Property; (e) file all reports with the Commission required by the Financing Order; (f) file and maintain the effectiveness of UCC financing statements with respect to the property transferred under the Sale Agreement; and (g) take such other action on behalf of the Issuer to ensure that the Lien of the Indenture Trustee on the Securitization Bond Collateral remains perfected and of first priority. The Servicer shall follow such customary and usual practices and procedures as it shall deem necessary or advisable in its servicing of all or any portion of the Securitization Property, which, in the Servicer's judgment, may include the taking of legal action, at the Issuer's expense but subject to the priority of payments set forth in Section 8.02(e) of the Indenture.

SECTION 3.03. Annual Reports on Compliance with Regulation AB.

(a) The Servicer shall deliver to the Issuer, the Indenture Trustee and the Rating Agencies, on or before the earlier of (a) March 31 of each year, beginning March 31, 2024, or (b) with respect to each calendar year during which the Sponsor's annual report on Form 10-K is required to be filed in accordance with the Exchange Act and the rules and regulations thereunder, the date on which such annual report on Form 10-K is required to be filed in accordance with the Exchange Act and the rules and regulations thereunder, certificates from a Responsible Officer of the Servicer (i) containing, and certifying as to, the statements of compliance required by Item 1123 of Regulation AB, as then in effect, and (ii) containing, and certifying as to, the statements and assessment of compliance required by Item 1122(a) of Regulation AB, as then in effect. These certificates may be in the form of, or shall include the forms attached as Exhibit D and Exhibit E, with, in the case of Exhibit D, such changes as may be required to conform to the applicable securities law.

(b) The Servicer shall use commercially reasonable efforts to obtain, from each other party participating in the servicing function, any additional certifications as to the statements and assessment required under Item 1122 or Item 1123 of Regulation AB to the extent required in connection with the filing of the annual report on Form 10-K; provided, however, that a failure to obtain such certifications shall not be a breach of the Servicer's duties hereunder. The parties acknowledge that the Indenture Trustee's certifications shall be limited to the Item 1122 certifications described in Exhibit C of the Indenture.

(c) The initial Servicer, in its capacity as Sponsor, shall post on its or its parent company's website and cause the Issuer to file with or furnish to the SEC, in periodic reports and other reports as are required from time to time under Section 13 or Section 15(d) of the Exchange Act, the information described in Section 3.07(g) of the Indenture to the extent such information is reasonably available to the Sponsor. Except to the extent permitted by applicable law, the initial Servicer, in its capacity as Sponsor, shall not voluntarily suspend or terminate its filing obligations as Sponsor with the SEC as described in this Section 3.03(c). The covenants of the initial Servicer, in its capacity as Sponsor, pursuant to this Section 3.03(c) shall survive the resignation, removal or termination of the initial Servicer as Servicer hereunder.

SECTION 3.04. Annual Report by Independent Registered Public Accountants.

(a) The Servicer shall cause a firm of Independent registered public accountants (which may provide other services to the Servicer or the Seller) to prepare annually, and the Servicer shall deliver annually to the Issuer, the Indenture Trustee and the Rating Agencies on or before the earlier of (i) March 31 of each year, beginning March 31, 2024, or (ii) with respect to each calendar year during which the Depositor's annual report on Form 10-K is required to be filed in accordance with the Exchange Act and the rules and regulations thereunder, the date on which such annual report on Form 10-K is required to be filed in accordance with the Exchange Act and the rules and regulations thereunder, a report (the "Annual Accountant's Report") regarding the Servicer's assessment of compliance with the servicing criteria set forth in Item 1122(d) of Regulation AB during the preceding 12 months ended December 31 (or, in the case of the first Annual Accountant's Report to be delivered on or before March 31, 2024, for the period beginning with the Closing Date and ending December 31, 2023), in accordance with paragraph (b) of Rule 13a-18 and Rule 15d-18 under the Exchange Act and Item 1122 of Regulation AB. In the event that the accounting firm providing such report requires the Indenture Trustee to agree or consent to the procedures performed by such firm, the Issuer shall direct the Indenture Trustee in writing to so agree, it being understood and agreed that the Indenture Trustee will deliver such letter of agreement or consent in conclusive reliance upon the direction of the Issuer, subject to the Indenture Trustee's rights, privileges, protections and immunities under the Indenture, and the Indenture Trustee will not make any independent inquiry or investigation as to, and shall have no obligation or liability in respect of, the sufficiency, validity or correctness of such procedures.

(b) The Annual Accountant's Report shall also indicate that the accounting firm providing such report is independent of the Servicer in accordance with the rules of the Public Company Accounting Oversight Board and shall include any attestation report required under Item 1122(b) of Regulation AB, as then in effect.

ARTICLE IV
SERVICES RELATED TO TRUE-UP ADJUSTMENTS

SECTION 4.01. True-Up Adjustments. From time to time, until the Collection in Full of the Securitization Charges, the Servicer shall identify the need for Annual True-Up Adjustments, Semi-Annual Interim True-Up Adjustments and Additional Interim True-Up Adjustments as permitted pursuant to the Financing Order and shall take all reasonable action to obtain and implement such True-Up Adjustments for the Securitization Charges for the purpose of correcting any overcollections and undercollections and ensuring the expected recovery of amounts required for the timely payment of debt service and other required amounts and charges in connection with the Securitization Bonds, all in accordance with the following:

(a) Expected Amortization Schedule. The Expected Amortization Schedule for the Securitization Bonds is attached hereto as Exhibit F. If the Expected Amortization Schedule is revised, the Servicer shall send a copy of such revised Expected Amortization Schedule to the Issuer, the Indenture Trustee and the Rating Agencies promptly thereafter.

(b) True-Up Adjustments.

(i) Annual True-Up Adjustments and Filings. At the beginning of Consumers Energy's billing cycle that is at least three months but no longer than 12 months following Consumers Energy's first complete billing cycle after the Closing Date, and thereafter no later than 45 days after each anniversary of the Closing Date, the Servicer shall: (A) update the data and assumptions underlying the calculation of the Securitization Charges, including projected electricity usage during the next Calculation Period for each Securitization Rate Class and including Periodic Principal, interest and estimated expenses and fees of the Issuer to be paid during such period, the projected payment lag and write-offs; (B) determine the Periodic Payment Requirements and Periodic Billing Requirement for the next Calculation Period based on such updated data and assumptions; (C) determine the Securitization Charges to be allocated to each Securitization Rate Class during the next Calculation Period based on such Periodic Billing Requirement and the terms of the Financing Order, the Tariff and any other tariffs filed pursuant thereto; (D) make all required public notices and other filings with the Commission to reflect the revised Securitization Charges, including any Amendatory Schedule; and (E) take all reasonable actions and make all reasonable efforts to effect such Annual True-Up Adjustment and to enforce the provisions of the Statute and the Financing Order. The Servicer shall implement the revised Securitization Charges, if any, resulting from such Annual True-Up Adjustment as of the Annual True-Up Adjustment Date.

(ii) Semi-Annual Interim True-Up Adjustments and Filings. No later than 45 days prior to the start of the July billing cycle, commencing with respect to the July 2024 billing cycle, and, one year prior to the Scheduled Final Payment Date for the latest maturing Tranche, within 45 days prior to the dates that are nine months, six months and three months prior to, and the date of, such Scheduled Final Payment Date for such latest maturing Tranche, the Servicer shall: (A) update the data and assumptions underlying the calculation of the Securitization Charges, including projected electricity usage during the next Calculation Period for each Securitization Rate Class and including Periodic Principal, interest and estimated expenses and fees of the Issuer to be paid during such period, the rate of delinquencies and write-offs; (B) determine the Periodic Payment Requirement and Periodic Billing Requirement for the next Calculation Period based on such updated data and assumptions; and (C) based upon such updated data and requirements, project whether existing and projected Securitization Charge Collections together with available fund balances in the Excess Funds Subaccount, will be sufficient (x) to make on a timely basis all scheduled payments of Periodic Principal and interest in respect of each Outstanding Tranche of Securitization Bonds during such Calculation Period, (y) to pay other Ongoing Other Qualified Costs on a timely basis and (z) to maintain the Capital Subaccount at the Required Capital Level; provided, that, in the case of any Semi-Annual Interim True-Up Adjustment following the Scheduled Final Payment Date for the latest maturing tranche of any Securitization Bonds, the True-Up Adjustment will be calculated to ensure that the Securitization Charges are sufficient to pay the Securitization Bonds in full on the next Scheduled Payment Date. If the Servicer determines that Securitization Charges will not be sufficient for such purposes, the Servicer shall, no later than the date described in the first sentence of this Section 4.01(b)(ii): (1) determine the Securitization Charges to be allocated to each Securitization Rate Class during the next Calculation Period based on such Periodic Billing Requirement and the terms of the Financing Order, the Tariff and other tariffs filed pursuant thereto; (2) make all required public notices and other filings with the Commission to reflect the revised Securitization Charges, including any Amendatory Schedule; and (3) take all reasonable actions and make all reasonable efforts to effect such Semi-Annual Interim True-Up Adjustment and to enforce the provisions of the Statute and the Financing Order.

(iii) Additional Interim True-Up Adjustments and Filings. In addition to the True-Up Adjustments described in Section 4.01(b)(i) and Section 4.01(b)(ii), the Servicer shall initiate a proceeding with the Commission to implement an Additional Interim True-Up Adjustment (in the same manner as provided for the Semi-Annual Interim True-Up Adjustments) (x) at any time if the Servicer forecasts that Securitization Charge Collections during the current or succeeding Calculation Period will be insufficient (A) to make all scheduled payments of Periodic Principal and interest due in respect of the Securitization Bonds on a timely basis during such Calculation Period, (B) to pay Ongoing Other Qualified Costs on a timely basis and (C) to replenish any draws on the Capital Subaccount or (y) every three months following the Scheduled Final Payment Date for each Tranche of Securitization Bonds if there are any remaining amounts due on such Tranche of Securitization Bonds on such date.

(iv) In calculating each necessary True-Up Adjustment, the Servicer will use its most recent forecast of energy consumption and its most current estimates of ongoing transaction-related expenses. Each True-Up Adjustment will reflect any projected Customer delinquencies or write-offs and allowances for projected payment lags between the billing, collection and posting of Securitization Charges based upon the Servicer's most recent experience regarding collection of Securitization Charges. Each True-Up Adjustment will also take into account any reconciliation of overcollections or undercollections due to any reason.

(c) Reports.

(i) Notification of Amendatory Schedule Filings and True-Up Adjustments. Whenever the Servicer files an Amendatory Schedule with the Commission or implements revised Securitization Charges with notice to the Commission without filing an Amendatory Schedule if permitted by the Financing Order, the Servicer shall send a copy of such filing or notice (together with a copy of all notices and documents that, in the Servicer's reasonable judgment, are material to the adjustments effected by such Amendatory Schedule or notice) to the Issuer, the Indenture Trustee and the Rating Agencies concurrently therewith. If, for any reason any revised Securitization Charges are not implemented and effective on the applicable date set forth herein, the Servicer shall notify the Issuer, the Indenture Trustee and each Rating Agency by the end of the second Servicer Business Day after such applicable date.

(ii) Semi-Annual Servicer's Certificate. Not later than five Servicer Business Days prior to each Payment Date or Special Payment Date, the Servicer shall deliver a written report substantially in the form of Exhibit C (the "Semi-Annual Servicer's Certificate") to the Issuer, the Indenture Trustee and the Rating Agencies, which shall include all of the following information (to the extent applicable and including any other information so specified in the Series Supplement) as to the Securitization Bonds with respect to such Payment Date or Special Payment Date or the period since the previous Payment Date, as applicable:

(A) the amount of the payment to Holders allocable to principal, if any;

(B) the amount of the payment to Holders allocable to interest;

(C) the aggregate Outstanding Amount of the Securitization Bonds, before and after giving effect to any payments allocated to principal reported under Section 4.01(c)(ii)(A);

(D) the difference, if any, between the amount specified in Section 4.01(c)(ii)(C) and the Outstanding Amount specified in the Expected Amortization Schedule;

(E) any other transfers and payments to be made on such Payment Date or Special Payment Date, including amounts paid to the Indenture Trustee and to the Servicer; and

(F) the amounts on deposit in the Capital Subaccount and the Excess Funds Subaccount, after giving effect to the foregoing payments.

(iii) Reports to Customers.

(A) After each revised Securitization Charge has gone into effect pursuant to a True-Up Adjustment, the Servicer shall, to the extent and in the manner and time frame required by any applicable Commission Regulations, cause to be prepared and delivered to Customers any required notices announcing such revised Securitization Charges.

(B) The Servicer shall comply with the requirements of the Financing Order with respect to the filing of the Securitization Rate Schedule to ensure that the Securitization Charges are separate and apart from the Servicer's other charges and appear as a separate line item on the Bills sent to Customers.

SECTION 4.02. Limitation of Liability.

(a) The Issuer and the Servicer expressly agree and acknowledge that:

(i) In connection with any True-Up Adjustment, the Servicer is acting solely in its capacity as the servicing agent hereunder.

(ii) None of the Servicer, the Issuer or the Indenture Trustee is responsible in any manner for, and shall have no liability whatsoever as a result of, any action, decision, ruling or other determination made or not made, or any delay (other than any delay resulting from the Servicer's failure to make any filings required by Section 4.01 in a timely and correct manner or any breach by the Servicer of its duties under this Servicing Agreement that adversely affects the Securitization Property or the True-Up Adjustments), by the Commission in any way related to the Securitization Property or in connection with any True-Up Adjustment, the subject of any filings under Section 4.01, any proposed True-Up Adjustment or the approval of any revised Securitization Charges and the scheduled adjustments thereto.

(iii) Except to the extent that the Servicer is liable under Section 6.02, the Servicer shall have no liability whatsoever relating to the calculation of any revised Securitization Charges and the scheduled adjustments thereto, including as a result of any inaccuracy of any of the assumptions made in such calculation regarding expected energy usage volume and the projected payment lag, write-offs and estimated expenses and fees of the Issuer, so long as the Servicer has acted in good faith and has not acted in a grossly negligent manner in connection therewith, nor shall the Servicer have any liability whatsoever as a result of any Person, including the Holders, not receiving any payment, amount or return anticipated or expected or in respect of any Securitization Bond generally.

(b) Notwithstanding the foregoing, this Section 4.02 shall not relieve the Servicer of liability for any misrepresentation by the Servicer under Section 6.01 or for any breach by the Servicer of its other obligations under this Servicing Agreement.

ARTICLE V
THE SECURITIZATION PROPERTY

SECTION 5.01. Custody of Securitization Property Records. To assure uniform quality in servicing the Securitization Property and to reduce administrative costs, the Issuer hereby revocably appoints the Servicer, and the Servicer hereby accepts such appointment, to act as the agent of the Issuer as custodian of any and all documents and records that the Servicer shall keep on file, in accordance with its customary procedures, relating to the Securitization Property, including copies of the Financing Order and Amendatory Schedules relating thereto and all documents filed with the Commission in connection with any True-Up Adjustment and computational records relating thereto (collectively, the "Securitization Property Records"), which are hereby constructively delivered to the Indenture Trustee, as pledgee of the Issuer with respect to all Securitization Property.

SECTION 5.02. Duties of Servicer as Custodian.

(a) Safekeeping. The Servicer shall hold the Securitization Property Records on behalf of the Issuer and the Indenture Trustee and maintain such accurate and complete accounts, records and computer systems pertaining to the Securitization Property Records as shall enable the Issuer and the Indenture Trustee, as applicable, to comply with this Servicing Agreement, the Sale Agreement and the Indenture. In performing its duties as custodian, the Servicer shall act with reasonable care, using that degree of care and diligence that the Servicer exercises with respect to comparable assets that the Servicer services for itself or, if applicable, for others. The Servicer shall promptly report to the Issuer, the Indenture Trustee and the Rating Agencies any failure on its part to hold the Securitization Property Records and maintain its accounts, records and computer systems as herein provided and promptly take appropriate action to remedy any such failure. Nothing herein shall be deemed to require an initial review or any periodic review by the Issuer or the Indenture Trustee of the Securitization Property Records. The Servicer's duties to hold the Securitization Property Records set forth in this Section 5.02, to the extent the Securitization Property Records have not been previously transferred to a successor Servicer pursuant to Article VII, shall terminate one year and one day after the earlier of (i) the date on which the Servicer is succeeded by a successor Servicer in accordance with Article VII and (ii) the first date on which no Securitization Bonds are Outstanding.

(b) Maintenance of and Access to Records. The Servicer shall maintain the Securitization Property Records at One Energy Plaza, Jackson, Michigan 49201 or at its facility located at 805 East Morrell Street (formerly known as Bridge Street), Jackson, Michigan 49201, or at such other office as shall be specified to the Issuer and the Indenture Trustee by written notice at least 30 days prior to any change in location. The Servicer shall make available for inspection, audit and copying to the Issuer and the Indenture Trustee or their respective duly authorized representatives, attorneys or auditors the Securitization Property Records at such times during normal business hours as the Issuer or the Indenture Trustee shall reasonably request and that do not unreasonably interfere with the Servicer's normal operations. Nothing in this Section 5.02(b) shall affect the obligation of the Servicer to observe any applicable law (including any Commission Regulation) prohibiting disclosure of information regarding Customers, and the failure of the Servicer to provide access to such information as a result of such obligation shall not constitute a breach of this Section 5.02(b).

(c) Release of Documents. Upon instruction from the Indenture Trustee in accordance with the Indenture, the Servicer shall release any Securitization Property Records to the Indenture Trustee, the Indenture Trustee's agent or the Indenture Trustee's designee, as the case may be, at such place or places as the Indenture Trustee may designate, as soon as practicable. Nothing in this Section 5.02(c) shall affect the obligation of the Servicer to observe any applicable law (including any Commission Regulation) prohibiting disclosure of information regarding Customers, and the failure of the Servicer to provide access to such information as a result of such obligation shall not constitute a breach of this Section 5.02(c).

(d) Defending Securitization Property Against Claims. The Servicer, in the name of the Issuer and on behalf of the Issuer and the Holders, shall institute any action or proceeding necessary under the Statute or the Financing Order with respect to the Securitization Property or any True-Up Adjustments, and the Servicer agrees to take such legal or administrative actions, including defending against or instituting and pursuing legal actions and appearing or testifying at hearings or similar proceedings, as may be reasonably necessary to block or overturn any attempts, including by legislative enactment, voter initiative or constitutional amendment, to cause a repeal of, modification of, judicial invalidation of, or supplement to, the Statute or the Financing Order that would be detrimental to the interests of the Holders or that would cause an impairment of the rights of the Issuer or the Holders.

(e) Additional Litigation to Defend Securitization Property. In addition to its obligations under Section 5.02(d), the Servicer shall, at its own expense, institute any action or proceeding necessary to compel performance by the Commission or the State of Michigan of any of their respective obligations or duties under the Statute and the Financing Order with respect to the Securitization Property and to compel performance by applicable parties under the Tariff or any agreement with the Servicer entered into pursuant to the Tariff.

SECTION 5.03. Custodian's Indemnification. The Servicer as custodian shall indemnify the Issuer, each Independent Manager and the Indenture Trustee (for itself and for the benefit of the Holders) and each of their respective officers, directors, employees and agents for, and defend and hold harmless each such Person from and against, any and all liabilities, obligations, losses, damages, payments and claims, and reasonable costs or expenses, of any kind whatsoever (collectively, "Indemnified Losses") that may be imposed on, incurred by or asserted against each such Person as the result of any grossly negligent act or omission in any way relating to the maintenance and custody by the Servicer, as custodian, of the Securitization Property Records; provided, however, that the Servicer shall not be liable for any portion of any such amount resulting from the willful misconduct, bad faith or gross negligence of the Issuer, any Independent Manager or the Indenture Trustee, as the case may be.

Indemnification under this Section 5.03 shall survive resignation or removal of the Indenture Trustee or any Independent Manager and shall include reasonable out-of-pocket fees and expenses of investigation and litigation (including reasonable attorneys' fees and expenses and reasonable fees, out-of-pocket expenses and costs incurred in connection with any action, claim or suit brought to enforce the Indenture Trustee's right to indemnification).

SECTION 5.04. Effective Period and Termination. The Servicer's appointment as custodian shall become effective as of the Closing Date and shall continue in full force and effect until terminated pursuant to this Section 5.04. If the Servicer shall resign as Servicer in accordance with the provisions of this Servicing Agreement or if all of the rights and obligations of the Servicer shall have been terminated under Section 7.01, the appointment of the Servicer as custodian shall be terminated effective as of the date on which the termination or resignation of the Servicer is effective. Additionally, if not sooner terminated as provided above, the Servicer's obligations as custodian shall terminate one year and one day after the date on which no Securitization Bonds are Outstanding.

ARTICLE VI
THE SERVICER

SECTION 6.01. Representations and Warranties of Servicer. The Servicer makes the following representations and warranties, as of the Closing Date, and as of such other dates as expressly provided in this Section 6.01, on which the Issuer and the Indenture Trustee are deemed to have relied in entering into this Servicing Agreement relating to the servicing of the Securitization Property. The representations and warranties shall survive the execution and delivery of this Servicing Agreement, the sale of any Securitization Property and the pledge thereof to the Indenture Trustee pursuant to the Indenture.

(a) Organization and Good Standing. The Servicer is duly organized and validly existing and in good standing under the laws of the state of its organization, with the requisite corporate or other power and authority to own its properties and to conduct its business as such properties are currently owned and such business is presently conducted and to execute, deliver and carry out the terms of this Servicing Agreement and the Intercreditor Agreement, and had at all relevant times, and has, the requisite power, authority and legal right to service the Securitization Property and to hold the Securitization Property Records as custodian.

(b) Due Qualification. The Servicer is duly qualified to do business and is in good standing, and has obtained all necessary licenses and approvals, in all jurisdictions in which the ownership or lease of property or the conduct of its business (including the servicing of the Securitization Property as required by this Servicing Agreement and the Intercreditor Agreement) shall require such qualifications, licenses or approvals (except where the failure to so qualify would not be reasonably likely to have a material adverse effect on the Servicer's business, operations, assets, revenues or properties or to its servicing of the Securitization Property).

(c) Power and Authority. The execution, delivery and performance of this Servicing Agreement and the Intercreditor Agreement have been duly authorized by all necessary action on the part of the Servicer under its organizational or governing documents and laws.

(d) Binding Obligation. Each of this Servicing Agreement and the Intercreditor Agreement constitutes a legal, valid and binding obligation of the Servicer enforceable against the Servicer in accordance with its respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and other laws relating to or affecting creditors' rights generally from time to time in effect and to general principles of equity (including concepts of materiality, reasonableness, good faith and fair dealing), regardless of whether considered in a proceeding in equity or at law.

(e) No Violation. The consummation of the transactions contemplated by this Servicing Agreement and the Intercreditor Agreement and the fulfillment of the terms hereof and thereof will not: (i) conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time) a default under, the organizational documents of the Servicer or any indenture or other agreement or instrument to which the Servicer is a party or by which it or any of its properties is bound; (ii) result in the creation or imposition of any Lien upon any of its properties pursuant to the terms of any such indenture, agreement or other instrument (other than any Lien that may be granted under the Basic Documents); or (iii) violate any existing law or any existing order, rule or regulation applicable to the Servicer of any Governmental Authority having jurisdiction over the Servicer or its properties.

(f) No Proceedings. There are no proceedings pending, and, to the Servicer's knowledge, there are no proceedings threatened, and, to the Servicer's knowledge, there are no investigations pending or threatened, before any Governmental Authority having jurisdiction over the Servicer or its properties involving or relating to the Servicer or the Issuer or, to the Servicer's knowledge, any other Person (i) asserting the invalidity of this Servicing Agreement or the Intercreditor Agreement or any of the other Basic Documents, (ii) seeking to prevent the issuance of the Securitization Bonds or the consummation of any of the transactions contemplated by this Servicing Agreement or any of the other Basic Documents, (iii) seeking any determination or ruling that could reasonably be expected to materially and adversely affect the performance by the Servicer of its obligations under, or the validity or enforceability of, this Servicing Agreement, any of the other Basic Documents or the Securitization Bonds or (iv) seeking to adversely affect the U.S. federal income tax or state income or franchise tax classification of the Securitization Bonds as debt.

(g) Approvals. No governmental approval, authorization, consent, order or other action of, or filing with, any Governmental Authority is required in connection with the execution and delivery by the Servicer of this Servicing Agreement or the Intercreditor Agreement, the performance by the Servicer of the transactions contemplated hereby or thereby or the fulfillment by the Servicer of the terms hereof or thereof, except those that have been obtained or made, those that the Servicer is required to make in the future pursuant to Article IV and those that the Servicer may need to file in the future to continue the effectiveness of any financing statement filed under the UCC.

(h) Reports and Certificates. Each report and certificate delivered in connection with any filing made to the Commission by the Servicer on behalf of the Issuer with respect to the Securitization Charges or True-Up Adjustments will constitute a representation and warranty by the Servicer that each such report or certificate, as the case may be, is true and correct in all material respects; provided, however, that, to the extent any such report or certificate is based in part upon or contains assumptions, forecasts or other predictions of future events, the representation and warranty of the Servicer with respect thereto will be limited to the representation and warranty that such assumptions, forecasts or other predictions of future events are reasonable based upon historical performance (and facts known to the Servicer on the date such report or certificate is delivered).

SECTION 6.02. Indemnities of Servicer; Release of Claims. The Servicer shall be liable in accordance herewith only to the extent of the obligations specifically undertaken by the Servicer under this Servicing Agreement.

(a) The Servicer shall indemnify the Issuer, the Indenture Trustee (for itself and for the benefit of the Holders) and each Independent Manager, and each of their respective trustees, officers, directors, employees and agents (each, an "Indemnified Party"), for, and defend and hold harmless each such Person from and against, any and all Indemnified Losses imposed on, incurred by or asserted against any such Person as a result of (i) the Servicer's willful misconduct, bad faith or gross negligence in the performance of its duties or observance of its covenants under this Servicing Agreement or the Intercreditor Agreement or its reckless disregard of its obligations and duties under this Servicing Agreement or the Intercreditor Agreement, (ii) the Servicer's material breach of any of its representations and warranties that results in a Servicer Default under this Servicing Agreement or the Intercreditor Agreement or (iii) any litigation or related expenses relating to the Servicer's status or obligations as Servicer (other than any proceeding the Servicer is required to institute under this Servicing Agreement), except to the extent of Indemnified Losses either resulting from the willful misconduct, bad faith or gross negligence of such Person seeking indemnification hereunder or resulting from a breach of a representation or warranty made by such Person seeking indemnification hereunder in any of the Basic Documents that gives rise to the Servicer's breach.

(b) For purposes of Section 6.02(a), in the event of the termination of the rights and obligations of Consumers Energy (or any successor thereto pursuant to Section 6.03) as Servicer pursuant to Section 7.01, or a resignation by such Servicer pursuant to this Servicing Agreement, such Servicer shall be deemed to be the Servicer pending appointment of a successor Servicer pursuant to Section 7.02.

(c) Indemnification under this Section 6.02 shall survive any repeal of, modification of, or supplement to, or judicial invalidation of, the Statute or the Financing Order and shall survive the resignation or removal of the Indenture Trustee or any Independent Manager or the termination of this Servicing Agreement and shall include reasonable out-of-pocket fees and expenses of investigation and litigation (including reasonable attorneys' fees and expenses).

(d) Except to the extent expressly provided in this Servicing Agreement or the other Basic Documents (including the Servicer's claims with respect to the Servicing Fee and the payment of the purchase price of Securitization Property), the Servicer hereby releases and discharges the Issuer, each Independent Manager and the Indenture Trustee, and each of their respective officers, directors and agents (collectively, the "Released Parties"), from any and all actions, claims and demands whatsoever, whenever arising, which the Servicer, in its capacity as Servicer or otherwise, shall or may have against any such Person relating to the Securitization Property or the Servicer's activities with respect thereto, other than any actions, claims and demands arising out of the willful misconduct, bad faith or gross negligence of the Released Parties.

(e) The Servicer shall not be required to indemnify an Indemnified Party for any amount paid or payable by such Indemnified Party in the settlement of any action, proceeding or investigation without the written consent of the Servicer, which consent shall not be unreasonably withheld. Promptly after receipt by an Indemnified Party of notice (or, in the case of the Indenture Trustee, receipt of notice by a Responsible Officer only) of the commencement of any action, proceeding or investigation, such Indemnified Party shall, if a claim in respect thereof is to be made against the Servicer under this Section 6.02, notify the Servicer in writing of the commencement thereof. Failure by an Indemnified Party to so notify the Servicer shall relieve the Servicer from the obligation to indemnify and hold harmless such Indemnified Party under this Section 6.02 only to the extent that the Servicer suffers actual prejudice as a result of such failure. With respect to any action, proceeding or investigation brought by a third party for which indemnification may be sought under this Section 6.02, the Servicer shall be entitled to conduct and control, at its expense and with counsel of its choosing that is reasonably satisfactory to such Indemnified Party, the defense of any such action, proceeding or investigation (in which case the Servicer shall not thereafter be responsible for the fees and expenses of any separate counsel retained by the Indemnified Party except as set forth below); provided, that the Indemnified Party shall have the right to participate in such action, proceeding or investigation through counsel chosen by it and at its own expense. Notwithstanding the Servicer's election to assume the defense of any action, proceeding or investigation, the Indemnified Party shall have the right to employ separate counsel (including local counsel), and the Servicer shall bear the reasonable fees, costs and expenses of such separate counsel, if (i) the defendants in any such action include both the Indemnified Party and the Servicer and the Indemnified Party shall have reasonably concluded that there may be legal defenses available to it that are different from or additional to those available to the Servicer, (ii) the Servicer shall not have employed counsel reasonably satisfactory to the Indemnified Party to represent the Indemnified Party within a reasonable time after notice of the institution of such action, (iii) the Servicer shall authorize the Indemnified Party to employ separate counsel at the expense of the Servicer or (iv) in the case of the Indenture Trustee, such action exposes the Indenture Trustee to a material risk of criminal liability or forfeiture or a Servicer Default has occurred and is continuing. Notwithstanding the foregoing, the Servicer shall not be obligated to pay for the fees, costs and expenses of more than one separate counsel for the Indemnified Parties other than one local counsel, if appropriate. The Servicer will not, without the prior written consent of the Indemnified Party, settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification may be sought under this Section 6.02 (whether or not the Indemnified Party is an actual or potential party to such claim or action) unless such settlement, compromise or consent includes an unconditional release of the Indemnified Party from all liability arising out of such claim, action, suit or proceeding.

SECTION 6.03. Binding Effect of Servicing Obligations. The obligations to continue to provide service and to collect and account for Securitization Charges will be binding upon the Servicer, any Successor and any other entity that provides distribution services to a Person that is a Michigan customer of Consumers Energy or any Successor so long as the Securitization Charges have not been fully collected and posted. Any Person (a) into which the Servicer may be merged, converted or consolidated and that is a Permitted Successor, (b) that may result from any merger, conversion or consolidation to which the Servicer shall be a party and that is a Permitted Successor, (c) that may succeed to the properties and assets of the Servicer substantially as a whole and that is a Permitted Successor, (d) that results from the division of the Servicer into two or more Persons and that is a Permitted Successor or (e) that otherwise is a Permitted Successor, which Person in any of the foregoing cases executes an agreement of assumption to perform all of the obligations of the Servicer hereunder, shall be the successor to the Servicer under this Servicing Agreement without further act on the part of any of the parties to this Servicing Agreement; provided, however, that (i) immediately after giving effect to such transaction, no representation or warranty made pursuant to Section 6.01 shall have been breached and no Servicer Default and no event that, after notice or lapse of time, or both, would become a Servicer Default shall have occurred and be continuing, (ii) the Servicer shall have delivered to the Issuer and the Indenture Trustee an Officer's Certificate and an Opinion of Counsel from external counsel stating that such consolidation, conversion, merger, division or succession and such agreement of assumption complies with this Section 6.03 and that all conditions precedent, if any, provided for in this Servicing Agreement relating to such transaction have been complied with, (iii) the Servicer shall have delivered to the Issuer, the Indenture Trustee and the Rating Agencies an Opinion of Counsel from external counsel of the Servicer either (A) stating that, in the opinion of such counsel, all filings to be made by the Servicer, including filings with the Commission pursuant to the Statute and the UCC, have been executed and filed and are in full force and effect that are necessary to fully perfect and maintain the interests of the Issuer and the Liens of the Indenture Trustee in the Securitization Property and reciting the details of such filings or (B) stating that, in the opinion of such counsel, no such action shall be necessary to perfect and maintain such interests, (iv) the Servicer shall have delivered to the Issuer, the Indenture Trustee and the Rating Agencies an Opinion of Counsel from independent tax counsel stating that, for U.S. federal income tax purposes, such consolidation, conversion, merger, division or succession and such agreement of assumption will not result in a material adverse U.S. federal income tax consequence to the Issuer or the Holders of Securitization Bonds, (v) the Servicer shall have given the Rating Agencies prior written notice of such transaction and (vi) any applicable requirements of the Intercreditor Agreement have been satisfied. When any Person (or more than one Person) acquires the properties and assets of the Servicer substantially as a whole or otherwise becomes the successor, by merger, division, conversion, consolidation, sale, transfer, lease or otherwise, to all or substantially all the assets of the Servicer in accordance with the terms of this Section 6.03, then, upon satisfaction of all of the other conditions of this Section 6.03, the preceding Servicer shall automatically and without further notice be released from all its obligations hereunder.

SECTION 6.04. Limitation on Liability of Servicer and Others. Except as otherwise provided under this Servicing Agreement, neither the Servicer nor any of the directors, officers, employees or agents of the Servicer shall be liable to the Issuer or any other Person for any action taken or for refraining from the taking of any action pursuant to this Servicing Agreement or for good faith errors in judgment; provided, however, that this provision shall not protect the Servicer or any such Person against any liability that would otherwise be imposed by reason of willful misconduct, bad faith or gross negligence in the performance of duties or by reason of reckless disregard of obligations and duties under this Servicing Agreement or the Intercreditor Agreement. The Servicer and any director, officer, employee or agent of the Servicer may rely in good faith on the advice of counsel or on any document of any kind, prima facie properly executed and submitted by any Person, respecting any matters arising under this Servicing Agreement.

Except as provided in this Servicing Agreement, including Section 5.02(d) and Section 5.02(e), the Servicer shall not be under any obligation to appear in, prosecute or defend any legal action relating to the Securitization Property that is not directly related to one of the Servicer's enumerated duties in this Servicing Agreement or related to its obligation to pay indemnification, and that in its reasonable opinion may cause it to incur any expense or liability; provided, however, that the Servicer may, in respect of any Proceeding, undertake any action that is not specifically identified in this Servicing Agreement as a duty of the Servicer but that the Servicer reasonably determines is necessary or desirable in order to protect the rights and duties of the Issuer or the Indenture Trustee under this Servicing Agreement and the interests of the Holders and Customers under this Servicing Agreement.

SECTION 6.05. Consumers Energy Not to Resign as Servicer. Subject to the provisions of Section 6.03, Consumers Energy shall not resign from the obligations and duties hereby imposed on it as Servicer under this Servicing Agreement except upon either (a) a determination by Consumers Energy that the performance of its duties under this Servicing Agreement shall no longer be permissible under applicable law or (b) satisfaction of the Rating Agency Condition. Notice of any such determination permitting the resignation of Consumers Energy shall be communicated to the Issuer, the Commission, the Indenture Trustee and each Rating Agency at the earliest practicable time in writing, and any such determination shall be evidenced by an Opinion of Counsel to such effect delivered to the Issuer, the Commission and the Indenture Trustee concurrently with or promptly after such notice. No such resignation shall become effective until a successor Servicer shall have assumed the responsibilities and obligations of Consumers Energy in accordance with Section 7.02.

SECTION 6.06. Servicing Compensation.

(a) In consideration for its services hereunder, until the Collection in Full of the Securitization Charges, the Servicer shall receive an annual fee (the "Servicing Fee") in an amount equal to (i) 0.05% of the aggregate initial principal amount of all Securitization Bonds for so long as Consumers Energy or an Affiliate of Consumers Energy is the Servicer or (ii) if Consumers Energy or any of its Affiliates is not the Servicer, an amount agreed upon by the Successor Servicer and the Indenture Trustee, provided, that the Servicing Fee shall not exceed 0.75% of the aggregate initial principal amount of all Securitization Bonds. The Servicing Fee owing shall be calculated based on the initial principal amount of the Securitization Bonds and shall be paid semi-annually, with half of the Servicing Fee being paid on each Payment Date, except that the amount of the Servicing Fee to be paid on the first Payment Date shall be calculated based on the number of days that this Servicing Agreement has been in effect. The Servicer also shall be entitled to retain as additional compensation (A) any interest earnings on Securitization Charge Payments received by the Servicer and invested by the Servicer during each Collection Period prior to remittance to the Collection Account and (B) all late payment charges, if any, collected from Customers to the extent consistent with the Tariff; provided, however, that, if the Servicer has failed to remit the Daily Remittance to the General Subaccount of the Collection Account on the Servicer Business Day that such payment is to be made pursuant to Section 6.11 on more than three occasions during the period that the Securitization Bonds are outstanding, then thereafter the Servicer will be required to pay to the Indenture Trustee interest on each Daily Remittance accrued at the Federal Funds Rate from the Servicer Business Day on which such Daily Remittance was required to be made to the date that such Daily Remittance is actually made. In addition, the Servicer shall be entitled to be reimbursed by the Issuer for filing fees and fees and expenses for attorneys, accountants, printing or other professional services retained by the Issuer and paid for by the Servicer (or procured by the Servicer on behalf of the Issuer and paid for by the Servicer) to meet the Issuer's obligations under the Basic Documents. Except for the amounts payable pursuant to the prior sentence, the Servicer shall be required to pay all other costs and expenses incurred by the Servicer in performing its activities hereunder (but, for the avoidance of doubt, excluding any such costs and expenses incurred by Consumers Energy in its capacity as Administrator).

(b) The Servicing Fee set forth in Section 6.06(a) shall be paid to the Servicer by the Indenture Trustee, on each Payment Date in accordance with the priorities set forth in Section 8.02(e) of the Indenture, by wire transfer of immediately available funds from the Collection Account to an account designated by the Servicer. Any portion of the Servicing Fee not paid on any such date shall be added to the Servicing Fee payable on the subsequent Payment Date. In no event shall the Indenture Trustee be liable for the payment of any Servicing Fee or other amounts specified in this Section 6.06; provided, that this Section 6.06 does not relieve the Indenture Trustee of any duties it has to allocate funds for payment for such fees under Section 8.02 of the Indenture.

(c) Except as expressly provided elsewhere in this Servicing Agreement, the Servicer shall be required to pay from its own account expenses incurred by the Servicer in connection with its activities hereunder (including any fees to and disbursements by its accountants or counsel or any other Person, any taxes imposed on the Servicer and any expenses incurred in connection with reports to Holders) out of the compensation retained by or paid to it pursuant to this Section 6.06, and the Servicer shall not be entitled to any extra payment or reimbursement therefor.

(d) The foregoing Servicing Fee constitutes a fair and reasonable compensation for the obligations to be performed by the Servicer. Such Servicing Fee shall be determined without regard to the income of the Issuer, shall not be deemed to constitute distributions to the recipient of any profit, loss or capital of the Issuer and shall be considered a fixed Operating Expense of the Issuer subject to the limitations on such expenses set forth in the Financing Order.

SECTION 6.07. Compliance with Applicable Law. The Servicer covenants and agrees, in servicing the Securitization Property, to comply in all material respects with all laws applicable to, and binding upon, the Servicer and relating to the Securitization Property, the noncompliance with which would have a material adverse effect on the value of the Securitization Property; provided, however, that the foregoing is not intended to, and shall not, impose any liability on the Servicer for noncompliance with any Requirement of Law that the Servicer is contesting in good faith in accordance with its customary standards and procedures. It is expressly acknowledged that the payment of fees to the Rating Agencies shall be at the expense of the Issuer and that, if the Servicer advances such payments to the Rating Agencies, the Issuer shall reimburse the Servicer for any such advances.

SECTION 6.08. Access to Certain Records and Information Regarding Securitization Property. The Servicer shall provide to the Indenture Trustee access to the Securitization Property Records as is reasonably required for the Indenture Trustee to perform its duties and obligations under the Indenture and the other Basic Documents and shall provide access to such records to the Holders as required by applicable law. Access shall be afforded without charge, but only upon reasonable request and during normal business hours at the offices of the Servicer. Nothing in this Section 6.08 shall affect the obligation of the Servicer to observe any applicable law (including any Commission Regulation) prohibiting disclosure of information regarding Customers, and the failure of the Servicer to provide access to such information as a result of such obligation shall not constitute a breach of this Section 6.08.

SECTION 6.09. Appointments. The Servicer may at any time appoint any Person to perform all or any portion of its obligations as Servicer hereunder, including a collection agent acting pursuant to the Intercreditor Agreement; provided, however, that, unless such Person is an Affiliate of Consumers Energy, the Rating Agency Condition shall have been satisfied in connection therewith; provided, further, that the Servicer shall remain obligated and be liable under this Servicing Agreement for the servicing and administering of the Securitization Property in accordance with the provisions hereof without diminution of such obligation and liability by virtue of the appointment of such Person and to the same extent and under the same terms and conditions as if the Servicer alone were servicing and administering the Securitization Property. The fees and expenses of any such Person shall be as agreed between the Servicer and such Person from time to time, and none of the Issuer, the Indenture Trustee, the Holders or any other Person shall have any responsibility therefor or right or claim thereto. Any such appointment shall not constitute a Servicer resignation under Section 6.05.

SECTION 6.10. No Servicer Advances. The Servicer shall not make any advances of interest on or principal of the Securitization Bonds.

SECTION 6.11. Remittances.

(a) The Securitization Charge Collections on any Servicer Business Day (the "Daily Remittance") shall be calculated according to the procedures set forth in Exhibit A and remitted by the Servicer as soon as reasonably practicable to the General Subaccount of the Collection Account but in no event later than two Servicer Business Days following such Servicer Business Day; provided, however, that the Daily Remittance in respect of the last Servicer Business Day of any month will be timely if remitted no later than three Servicer Business Days following such Servicer Business Day. Prior to each remittance to the General Subaccount of the Collection Account pursuant to this Section 6.11, the Servicer shall provide written notice (which may be via electronic means, including electronic mail) to the Indenture Trustee and, upon request, to the Issuer of each such remittance (including the exact dollar amount to be remitted). The Servicer shall also, promptly upon receipt, remit to the Collection Account any other proceeds of the Securitization Bond Collateral that it may receive from time to time. Reconciliations of bank statements shall be as set forth in Exhibit A.

(b) In the event that the Servicer discovers that the Daily Remittance for a Servicer Business Day is less than the aggregate Securitization Charge Collections in respect of such Servicer Business Day due to a miscalculation or clerical error, the Servicer shall provide written notice (which may be via electronic means, including electronic mail) of such error to the Indenture Trustee and, upon request, to the Issuer and, within two Servicer Business Days of such discovery, remit such additional amount to the General Subaccount of the Collection Account as shall be required to correct such error.

(c) In the event that the Servicer is unable to calculate the Securitization Charge Collections on any Servicer Business Day (whether due to reasons of force majeure or any other reason), the Servicer shall make a good faith estimate of the amount of such Securitization Charge Collections for such Servicer Business Day and remit such estimated Securitization Charge Collections to the General Subaccount of the Collection Account. The Servicer shall reconcile remittances of any such estimated Securitization Charge Collections with the actual Securitization Charge Collections within two Servicer Business Days of determination of the actual Securitization Charge Collections (calculated in accordance with Exhibit A). To the extent that the remittances of any such estimated Securitization Charge Collections exceed the amount that should have been remitted based on actual Securitization Charge Collections, the Servicer shall be entitled to withhold the excess amount from any subsequent Daily Remittances. To the extent that the remittances of any such estimated Securitization Charge Collections are less than the amount that should have been remitted based on actual Securitization Charge Collections, the Servicer shall remit the amount of the shortfall to the General Subaccount of the Collection Account within two Servicer Business Days of determination of such shortfall.

(d) The Servicer agrees and acknowledges that it holds all Securitization Charge Payments collected by it and any other proceeds for the Securitization Bond Collateral received by it for the benefit of the Indenture Trustee and the Holders and that all such amounts will be remitted by the Servicer in accordance with this Section 6.11 without any surcharge, fee, offset, charge or other deduction except for late fees and interest earnings permitted by Section 6.06. The Servicer further agrees not to make any claim to reduce its obligation to remit all Securitization Charge Payments collected by it in accordance with this Servicing Agreement except for late fees permitted by Section 6.06.

(e) Unless otherwise directed to do so by the Issuer, the Servicer shall be responsible for selecting Eligible Investments in which the funds in the Collection Account shall be invested pursuant to Section 8.03 of the Indenture.

SECTION 6.12. Maintenance of Operations. Subject to Section 6.03, Consumers Energy agrees to continue, unless prevented by circumstances beyond its control, to operate its electric distribution system to provide service so long as it is acting as the Servicer under this Servicing Agreement.

ARTICLE VII
DEFAULT

SECTION 7.01. Servicer Default. If any one or more of the following events (a "Servicer Default") shall occur and be continuing:

(a) any failure by the Servicer to remit to the Collection Account on behalf of the Issuer any required remittance that shall continue unremedied for a period of five Business Days after written notice of such failure is received by the Servicer from the Issuer or the Indenture Trustee or after discovery of such failure by a Responsible Officer of the Servicer;

(b) any failure on the part of the Servicer or, so long as the Servicer is Consumers Energy or an Affiliate thereof, any failure on the part of Consumers Energy, as the case may be, duly to observe or to perform in any material respect any covenants or agreements of the Servicer or Consumers Energy, as the case may be, set forth in this Servicing Agreement (other than as provided in Section 7.01(a) or Section 7.01(c)) or any other Basic Document to which it is a party, which failure shall (i) materially and adversely affect the rights of the Holders and (ii) continue unremedied for a period of 60 days after the date on which (A) written notice of such failure, requiring the same to be remedied, shall have been given to the Servicer or Consumers Energy, as the case may be, by the Issuer (with a copy to the Indenture Trustee) or to the Servicer or Consumers Energy, as the case may be, by the Indenture Trustee or (B) such failure is discovered by a Responsible Officer of the Servicer;

(c) any failure by the Servicer duly to perform its obligations under Section 4.01(b) in the time and manner set forth therein, which failure continues unremedied for a period of five Business Days;

(d) any representation or warranty made by the Servicer in this Servicing Agreement or any other Basic Document shall prove to have been incorrect in a material respect when made, which has a material adverse effect on the Holders and which material adverse effect continues unremedied for a period of 60 days after the date on which (i) written notice thereof, requiring the same to be remedied, shall have been delivered to the Servicer (with a copy to the Indenture Trustee) by the Issuer or the Indenture Trustee or (ii) such failure is discovered by a Responsible Officer of the Servicer; or

(e) an Insolvency Event occurs with respect to the Servicer or Consumers Energy;

then, and in each and every case, so long as the Servicer Default shall not have been remedied, either the Indenture Trustee may (if a Responsible Officer of the Indenture Trustee has received written notice of such Servicer Default), or shall upon the instruction of Holders evidencing a majority of the Outstanding Amount of the Securitization Bonds, subject to the terms of the Intercreditor Agreement, by notice then given in writing to the Servicer (and to the Indenture Trustee if given by the Holders) (a "Termination Notice"), terminate all the rights and obligations (other than the obligations set forth in Section 6.02 and the obligation under Section 7.02 to continue performing its functions as Servicer until a successor Servicer is appointed) of the Servicer under this Servicing Agreement and under the Intercreditor Agreement. In addition, upon a Servicer Default described in Section 7.01(a), the Holders and the Indenture Trustee as financing parties under the Statute (or any of their representatives) shall be entitled to apply to the Commission or a court of appropriate jurisdiction for an order for sequestration and payment of revenues arising with respect to the Securitization Property. On or after the receipt by the Servicer of a Termination Notice, all authority and power of the Servicer under this Servicing Agreement, whether with respect to the Securitization Bonds, the Securitization Property, the Securitization Charges or otherwise, shall, without further action, pass to and be vested in such successor Servicer as may be appointed under Section 7.02; and, without limitation, the Indenture Trustee is hereby authorized and empowered to execute and deliver, on behalf of the predecessor Servicer, as attorney-in-fact or otherwise, any and all documents and other instruments, and to do or accomplish all other acts or things necessary or appropriate to effect the purposes of such Termination Notice, whether to complete the transfer of the Securitization Property Records and related documents, or otherwise. The predecessor Servicer shall cooperate with the successor Servicer, the Issuer and the Indenture Trustee in effecting the termination of the responsibilities and rights of the predecessor Servicer under this Servicing Agreement, including the transfer to the successor Servicer for administration by it of all Securitization Property Records and all cash amounts that shall at the time be held by the predecessor Servicer for remittance, or shall thereafter be received by it with respect to the Securitization Property or the Securitization Charges. As soon as practicable after receipt by the Servicer of such Termination Notice, the Servicer shall deliver the Securitization Property Records to the successor Servicer. In case a successor Servicer is appointed as a result of a Servicer Default, all reasonable costs and expenses (including reasonable attorneys' fees and expenses) incurred in connection with transferring the Securitization Property Records to the successor Servicer and amending this Servicing Agreement and the Intercreditor Agreement to reflect such succession as Servicer pursuant to this Section 7.01 shall be paid by the predecessor Servicer upon presentation of reasonable documentation of such costs and expenses. Termination of Consumers Energy as Servicer shall not terminate Consumers Energy's rights or obligations under the Sale Agreement (except rights thereunder deriving from its rights as the Servicer hereunder).

SECTION 7.02. Appointment of Successor.

(a) Upon the Servicer's receipt of a Termination Notice pursuant to Section 7.01 or the Servicer's resignation or removal in accordance with the terms of this Servicing Agreement, the predecessor Servicer shall continue to perform its functions as Servicer under this Servicing Agreement and shall be entitled to receive the requisite portion of the Servicing Fee, until a successor Servicer shall have assumed in writing the obligations of the Servicer hereunder as described below. In the event of the Servicer's removal or resignation hereunder, the Indenture Trustee may, or, at the written direction and with the consent of the Holders of a majority of the Outstanding Amount of the Securitization Bonds, shall, but subject to the provisions of the Intercreditor Agreement, appoint a successor Servicer with the Issuer's prior written consent thereto (which consent shall not be unreasonably withheld), and the successor Servicer shall accept its appointment by a written assumption in form reasonably acceptable to the Issuer and the Indenture Trustee and provide prompt written notice of such assumption to the Issuer and the Rating Agencies. If, within 30 days after the delivery of the Termination Notice, a new Servicer shall not have been appointed, the Indenture Trustee may, at the written direction of the Holders of a majority of the Outstanding Amount of the Securitization Bonds, petition the Commission or a court of competent jurisdiction to appoint a successor Servicer under this Servicing Agreement. A Person shall qualify as a successor Servicer only if (i) such Person is permitted under Commission Regulations to perform the duties of the Servicer, (ii) the Rating Agency Condition shall have been satisfied, (iii) such Person enters into a servicing agreement with the Issuer having substantially the same provisions as this Servicing Agreement and (iv) such Person agrees to perform the obligations of the Servicer under the Intercreditor Agreement. In no event shall the Indenture Trustee be liable for its appointment of a successor Servicer. The Indenture Trustee's expenses incurred under this Section 7.02(a) shall be at the sole expense of the Issuer and payable from the Collection Account as provided in Section 8.02 of the Indenture.

(b) Subject to the terms and conditions of the Intercreditor Agreement, upon appointment, the successor Servicer shall be the successor in all respects to the predecessor Servicer and shall be subject to all the responsibilities, duties and liabilities arising thereafter placed on the predecessor Servicer and shall be entitled to the Servicing Fee and all the rights granted to the predecessor Servicer by the terms and provisions of this Servicing Agreement.

SECTION 7.03. Waiver of Past Defaults. The Holders evidencing a majority of the Outstanding Amount of the Securitization Bonds may, on behalf of all Holders, direct the Indenture Trustee to waive in writing any default by the Servicer in the performance of its obligations hereunder and its consequences, except a default in making any required deposits to the Collection Account in accordance with this Servicing Agreement. Upon any such waiver of a past default, such default shall cease to exist, and any Servicer Default arising therefrom shall be deemed to have been remedied for every purpose of this Servicing Agreement. No such waiver shall extend to any subsequent or other default or impair any right consequent thereto. Promptly after the execution of any such waiver, the Servicer shall furnish copies of such waiver to each of the Rating Agencies.

SECTION 7.04. Notice of Servicer Default. The Servicer shall deliver to the Issuer, the Indenture Trustee and the Rating Agencies, promptly after having obtained knowledge thereof, but in no event later than five Business Days thereafter, written notice of any event that, with the giving of notice or lapse of time, or both, would become a Servicer Default under Section 7.01.

SECTION 7.05. Cooperation with Successor. The Servicer covenants and agrees with the Issuer that it will, on an ongoing basis, cooperate with the successor Servicer and provide whatever information is, and take whatever actions are, reasonably necessary to assist the successor Servicer in performing its obligations hereunder.

ARTICLE VIII
MISCELLANEOUS PROVISIONS

SECTION 8.01. Amendment.

(a) This Servicing Agreement may be amended in writing by the Servicer and the Issuer with the prior written consent of the Indenture Trustee and the satisfaction of the Rating Agency Condition; provided, that any such amendment may not adversely affect the interest of any Holder in any material respect without the consent of the Holders of a majority of the Outstanding Amount. Promptly after the execution of any such amendment or consent, the Issuer shall furnish copies of such amendment or consent to each of the Rating Agencies.

In addition, this Servicing Agreement may be amended from time to time by a written amendment duly executed and delivered by each of the Issuer and the Servicer, with ten Business Days' prior written notice given to the Rating Agencies, but without the consent of any of the Holders, (i) to cure any ambiguity in, to correct or supplement, or to add, change or eliminate, any provisions in this Servicing Agreement; provided, however, that the Issuer and the Indenture Trustee shall receive an Officer's Certificate stating that such amendment shall not adversely affect in any material respect the interests of any Holder and that all conditions precedent to such amendment have been satisfied, or (ii) to conform the provisions hereof to the description of this Servicing Agreement in the Prospectus. Promptly after the execution of any such amendment or consent, the Issuer shall furnish copies of such amendment or consent to each of the Rating Agencies.

(b) Prior to the execution of any amendment to this Servicing Agreement, the Issuer and the Indenture Trustee shall be entitled to receive and conclusively rely upon an Opinion of Counsel of external counsel stating that such amendment is authorized and permitted by this Servicing Agreement and all conditions precedent, if any, provided for in this Servicing Agreement relating to such amendment have been satisfied and upon the Opinion of Counsel from external counsel referred to in Section 3.01(c)(i). The Issuer and the Indenture Trustee may, but shall not be obligated to, enter into any such amendment that affects their own rights, duties, indemnities or immunities under this Servicing Agreement or otherwise.

SECTION 8.02. Maintenance of Accounts and Records.

(a) The Servicer shall maintain accounts and records as to the Securitization Property accurately and in accordance with its standard accounting procedures and in sufficient detail to permit reconciliation between Securitization Charge Payments received by the Servicer and Securitization Charge Collections from time to time deposited in the Collection Account.

(b) The Servicer shall permit the Indenture Trustee and its agents at any time during normal business hours, upon reasonable notice to the Servicer and to the extent it does not unreasonably interfere with the Servicer's normal operations, to inspect, audit and make copies of and abstracts from the Servicer's records regarding the Securitization Property and the Securitization Charges. Nothing in this Section 8.02(b) shall affect the obligation of the Servicer to observe any applicable law (including any Commission Regulation) prohibiting disclosure of information regarding Customers, and the failure of the Servicer to provide access to such information as a result of such obligation shall not constitute a breach of this Section 8.02(b).

SECTION 8.03. Notices. Any notice, report or other communication given hereunder shall be in writing and shall be effective (i) upon receipt when sent through the mails, registered or certified mail, return receipt requested, postage prepaid, with such receipt to be effective the date of delivery indicated on the return receipt, (ii) upon receipt when sent by an overnight courier, (iii) on the date personally delivered to an authorized officer of the party to which sent or (iv) on the date transmitted by facsimile or other electronic transmission with a confirmation of receipt in all cases, addressed as follows:

(a) in the case of the Servicer, to Consumers Energy Company, One Energy Plaza, Jackson, Michigan 49201; Telephone: (517) 788-6749; Email: Todd.Wehner@cmsenergy.com;

(b) in the case of the Issuer, to Consumers 2023 Securitization Funding LLC, One Energy Plaza, Jackson, Michigan 49201; Telephone: (517) 788-6749; Email: Todd.Wehner@cmsenergy.com;

(c) in the case of the Indenture Trustee, to the Corporate Trust Office;

(d) in the case of Moody's, to Moody's Investors Service, Inc., ABS/RMBS Monitoring Department, 25th Floor, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, Email: servicerreports@moodys.com (for servicer reports and other reports) or abscormonitoring@moodys.com (for all other notices) (all such notices to be delivered to Moody's in writing by email); and

(e) in the case of S&P, to S&P Global Ratings, a division of S&P Global Inc., Structured Credit Surveillance, 55 Water Street, New York, New York 10041, Telephone: (212) 438-8991, Email: servicer_reports@spglobal.com (all such notices to be delivered to S&P in writing by email).

Each Person listed above may, by notice given in accordance herewith to the other Person or Persons listed above, designate any further or different address to which subsequent notices, reports and other communications shall be sent.

SECTION 8.04. Assignment. Notwithstanding anything to the contrary contained herein, except as provided in Section 6.03 and as provided in the provisions of this Servicing Agreement concerning the resignation of the Servicer, this Servicing Agreement may not be assigned by the Servicer. Any assignment of this Servicing Agreement is subject to satisfaction of any conditions set forth in the Intercreditor Agreement.

SECTION 8.05. Limitations on Rights of Others. The provisions of this Servicing Agreement are solely for the benefit of the Servicer and the Issuer and, to the extent provided herein or in the other Basic Documents, the Indenture Trustee and the Holders, and the other Persons expressly referred to herein, and such Persons shall have the right to enforce the relevant provisions of this Servicing Agreement. Nothing in this Servicing Agreement, whether express or implied, shall be construed to give to any other Person any legal or equitable right, remedy or claim in the Securitization Property or Securitization Bond Collateral or under or in respect of this Servicing Agreement or any covenants, conditions or provisions contained herein. Notwithstanding anything to the contrary contained herein, for the avoidance of doubt, any right, remedy or claim to which any Customer may be entitled pursuant to the Financing Order and to this Servicing Agreement may be asserted or exercised only by the Commission (or by its counsel in the name of the Commission) for the benefit of such Customer.

SECTION 8.06. Severability. Any provision of this Servicing Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remainder of such provision (if any) or the remaining provisions hereof (unless such a construction shall be unreasonable), and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 8.07. Separate Counterparts. This Servicing Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

SECTION 8.08. Governing Law. **This Servicing Agreement shall be governed by and construed in accordance with the laws of the State of Michigan, without reference to its conflict of law provisions, and the obligations, rights and remedies of the parties hereunder shall be determined in accordance with such laws.**

SECTION 8.09. Assignment to Indenture Trustee. The Servicer hereby acknowledges and consents to any mortgage, pledge, assignment and grant of a security interest by the Issuer to the Indenture Trustee for the benefit of the Secured Parties pursuant to the Indenture of any or all of the Issuer's rights hereunder. In no event shall the Indenture Trustee have any liability for the representations, warranties, covenants, agreements or other obligations of the Issuer hereunder or in any of the certificates delivered pursuant hereto, as to all of which any recourse shall be had solely to the assets of the Issuer subject to the availability of funds therefor under Section 8.02 of the Indenture.

SECTION 8.10. Nonpetition Covenants. Notwithstanding any prior termination of this Servicing Agreement or the Indenture, the Servicer shall not, prior to the date that is one year and one day after the satisfaction and discharge of the Indenture, acquiesce, petition or otherwise invoke or cause the Issuer to invoke or join with any Person in provoking the process of any Governmental Authority for the purpose of commencing or sustaining an involuntary case against the Issuer under any U.S. federal or state bankruptcy, insolvency or similar law or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of the Issuer for any substantial part of the property of the Issuer or ordering the dissolution, winding up or liquidation of the affairs of the Issuer.

SECTION 8.11. Limitation of Liability. It is expressly understood and agreed by the parties hereto that this Servicing Agreement is executed and delivered by the Indenture Trustee, not individually or personally but solely as Indenture Trustee in the exercise of the powers and authority conferred and vested in it, and that the Indenture Trustee, in acting hereunder, is entitled to all rights, benefits, protections, immunities and indemnities accorded to it under the Indenture.

SECTION 8.12. Rule 17g-5 Compliance. The Servicer agrees that any notice, report, request for satisfaction of the Rating Agency Condition, document or other information provided by the Servicer to any Rating Agency under this Servicing Agreement or any other Basic Document to which it is a party for the purpose of determining the initial credit rating of the Securitization Bonds or undertaking credit rating surveillance of the Securitization Bonds with any Rating Agency, or satisfy the Rating Agency Condition, shall be substantially concurrently posted by the Servicer on the 17g-5 Website.

SECTION 8.13. Indenture Trustee Actions. In acting hereunder, the Indenture Trustee shall have the rights, protections and immunities granted to it under the Indenture. The Servicer agrees to the provisions set forth in the last paragraph of Section 10.04 of the Indenture insofar as such provisions relate to the Servicer.

{SIGNATURE PAGE FOLLOWS}

IN WITNESS WHEREOF, the parties hereto have caused this Servicing Agreement to be duly executed by their respective officers as of the day and year first above written.

CONSUMERS 2023 SECURITIZATION FUNDING LLC,
as Issuer

By: _____
Name: Todd Wehner
Title: Assistant Treasurer

CONSUMERS ENERGY COMPANY,
as Servicer

By: _____
Name: Todd Wehner
Title: Assistant Treasurer

ACKNOWLEDGED AND ACCEPTED:

THE BANK OF NEW YORK MELLON,
as Indenture Trustee

By: _____
Name:
Title:

EXHIBIT A

SERVICING PROCEDURES

The Servicer agrees to comply with the following servicing procedures:

SECTION 1. CAPITALIZED TERMS.

Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to such terms in the Securitization Property Servicing Agreement dated as of December 12, 2023 (the "Servicing Agreement") by and between Consumers Energy Company, as servicer, and Consumers 2023 Securitization Funding LLC.

SECTION 2. SERVICING PROCEDURES.

The following procedures will be used by the Servicer under the Servicing Agreement for calculating the Daily Remittance:

(a) File Creation. Each Billing Period, a file is created from the billing systems containing the prior Billing Period's billing data (i.e. Securitization Rate Class, total charges billed and total Securitization Charges billed). Each Servicer Business Day, a file is created with collection data (i.e. total collections by Securitization Rate Class).

(b) Billing Data. For an entire Billing Period, the total Billed Securitization Charges for each Securitization Rate Class are divided by the total charges billed by the Servicer (and Consumers Energy) for each Securitization Rate Class, creating the "Securitization Ratio" for each such Securitization Rate Class.

(c) Collection Data. Each Servicer Business Day, after giving effect to collections (including Securitization Charge Collections) on such Servicer Business Day, the total collections for each Securitization Rate Class are multiplied by the prior Billing Period's Securitization Ratio for such Securitization Rate Class. The aggregate of such products for all Securitization Rate Classes constitutes the Daily Remittance for such Servicer Business Day.

(d) Monthly Summary. At the end of each Billing Period, the total of the Daily Remittances for such Billing Period are summarized and reported to the Indenture Trustee.

(e) Reconciliations. Reconciliations will be prepared within one month after the bank statement cutoff date. Explanations for reconciling items shall be included in the monthly summary and resolved during the State of Michigan escheatment period.

EXHIBIT B

FORM OF MONTHLY SERVICER'S CERTIFICATE

See Attached.

MONTHLY SERVICER'S CERTIFICATE

Consumers 2023 Securitization Funding LLC
$646,000,000 Senior Secured Securitization Bonds, Series 2023A

Pursuant to Section 3.01(b) of the Securitization Property Servicing Agreement dated as of December 12, 2023 by and between Consumers Energy Company, as Servicer, and Consumers 2023 Securitization Funding LLC, as Issuer (the "Servicing Agreement"), the Servicer does hereby certify as follows:

Capitalized terms used but not defined in this Monthly Servicer's Certificate have their respective meanings as set forth in the Servicing Agreement. References herein to certain sections and subsections are references to the respective sections or subsections of the Servicing Agreement.

Current BILLING MONTH: {__/__/20__}

Customer Class	Daily Remittances	Securitization Charges Billed During Month	Total Billed During Month	Securitization Charge Percent of Total Billed
Residential	${_____}	${_____}	${_____}	{_____}%
Primary	${_____}	${_____}	${_____}	{_____}%
Secondary	${_____}	${_____}	${_____}	{_____}%
Streetlighting	${_____}	${_____}	${_____}	{_____}%

Customer Class	Year-To-Date Net Write-offs as a Percentage of Billed Revenue
Residential	{_____}%
Non-Residential	{_____}%
Total Write-offs	**{_____}%**

Billing Month	Aggregate Monthly Remittance Totals
{_____}	${_____}
{_____}	${_____}
{_____}	${_____}
{_____}	${_____}
{_____}	${_____}
{_____}	${_____}
Total Current Remittances	**${_____}**

Executed as of this {____} day of {_____} 20{__}.

CONSUMERS ENERGY COMPANY,
as Servicer

By: _____
Name:
Title:

CC: Consumers 2023 Securitization Funding LLC

EXHIBIT C

FORM OF SEMI-ANNUAL SERVICER'S CERTIFICATE

See attached.

SEMI-ANNUAL SERVICER'S CERTIFICATE

Pursuant to Section 4.01(c)(ii) of the Securitization Property Servicing Agreement, dated as of December 12, 2023 (the "Servicing Agreement"), by and between CONSUMERS ENERGY COMPANY, as servicer (the "Servicer"), and CONSUMERS 2023 SECURITIZATION FUNDING LLC, the Servicer does hereby certify, for the {_____}, 20{__} Payment Date (the "Current Payment Date"), as follows:

Capitalized terms used but not defined herein have their respective meanings as set forth in the Servicing Agreement. References herein to certain sections and subsections are references to the respective sections of the Servicing Agreement or the Indenture, as the context indicates.

Collection Periods: {_____} to {_____}

Payment Date: {_____}, 20{__}

1. Collections Allocable and Aggregate Amounts Available for the Current Payment Date:

i.	Remittances for the {_____} Collection Period	${_____}
ii.	Remittances for the {_____} Collection Period	${_____}
iii.	Remittances for the {_____} Collection Period	${_____}
iv.	Remittances for the {_____} Collection Period	${_____}
v.	Remittances for the {_____} Collection Period	${_____}
vi.	Remittances for the {_____} Collection Period	${_____}
vii.	Investment Earnings on Capital Subaccount	${_____}
viii.	Investment Earnings on Excess Funds Subaccount	${_____}
ix.	Investment Earnings on General Subaccount	${_____}
x.	**General Subaccount Balance (sum of i through ix above)**	**${_____}**
xi.	Excess Funds Subaccount Balance as of prior Payment Date	${_____}
xii.	Capital Subaccount Balance as of prior Payment Date	${_____}
xiii.	**Collection Account Balance (sum of xi through xii above)**	**${_____}**

2. Outstanding Amounts of as of prior Payment Date:

i.	Tranche {__} Outstanding Amount	${_____}
ii.	Tranche {__} Outstanding Amount	${_____}
iii.	**Aggregate Outstanding Amount of all Tranches**	**${_____}**

3. Required Funding/Payments as of Current Payment Date:

	Principal	*Principal Due*
i.	Tranche {__}	${_____}
ii.	Tranche {__}	${_____}
iii.	**All Tranches**	**${_____}**

		Interest			
	Tranche	**Interest Rate**	**Days in Interest Period[1]**	**Principal Balance**	**Interest Due**
iv.	Tranche {__}	{__}%	{_____}	${_____}	${_____}
v.	Tranche {__}	{__}%	{_____}	${_____}	${_____}
vi.	**All Tranches**				**${_____}**
				Required Level	**Funding Required**
vii.	Capital Subaccount			${_____}	${_____}

4. Allocation of Remittances as of Current Payment Date Pursuant to 8.02(e) of Indenture:

i.	Trustee Fees and Expenses; Indemnity Amounts[2]	${_____}
ii.	Servicing Fee	${_____}
iii.	Administration Fee and Independent Manager Fee	${_____}
iv.	Operating Expenses	${_____}

Tranche	**Aggregate**	**Per $1,000 of Original Principal Amount**	
v. Semi-Annual Interest (including any past-due for prior periods)			${_____}
1. Tranche {__} Interest Payment	${_____}	${_____}	
2. Tranche {__} Interest Payment	${_____}	${_____}	
	${_____}		
vi. Principal Due and Payable as a Result of an Event of Default or on Final Maturity Date			${_____}
1. Tranche {__} Interest Payment	${_____}	${_____}	
2. Tranche {__} Interest Payment	${_____}	${_____}	
	${_____}		
vii. Semi-Annual Principal			${_____}
1. Tranche {__} Interest Payment	${_____}	${_____}	
2. Tranche {__} Interest Payment	${_____}	${_____}	
	${_____}		

viii. Other unpaid Operating Expenses	${_____}
ix. Funding of Capital Subaccount (to required level)	${_____}
x. Capital Subaccount Investment Earnings to Consumers Energy	${_____}
xi. Deposit to Excess Funds Subaccount	${_____}
xii. Released to Issuer upon Retirement of all Securitization Bonds	${_____}
xiii. Aggregate Remittances as of Current Payment Date	**${_____}**

[1] On 30/360 day basis for initial payment date; otherwise use one-half of annual rate.

[2] Subject to ${_____} annual cap.

5. Outstanding Amount and Collection Account Balance as of Current Payment Date (after giving effect to payments to be made on such Payment Date):

i.	Tranche {__}	${_____}
ii.	Tranche {__}	${_____}
iii.	**Aggregate Outstanding Amount of all Tranches**	**${_____}**
iv.	Excess Funds Subaccount Balance	${_____}
v.	Capital Subaccount Balance	${_____}
vi.	**Aggregate Collection Account Balance**	**${_____}**

6. Subaccount Withdrawals as of Current Payment Date (if applicable, pursuant to Section 8.02(e) of Indenture:

i.	Excess Funds Subaccount	${_____}
ii.	Capital Subaccount	${_____}
iii.	**Total Withdrawals**	**${_____}**

7. Shortfalls in Interest and Principal Payments as of Current Payment Date:

i.	Semi-annual Interest	
	Tranche {__} Interest Payment	${_____}
	Tranche {__} Interest Payment	${_____}
	Total	**${_____}**
ii.	Semi-annual Principal	
	Tranche {__} Principal Payment	${_____}
	Tranche {__} Principal Payment	${_____}
	Total	**${_____}**

8. Shortfalls in Payment of Capital Subaccount Investment Earnings as of Current Payment Date:

i.	Capital Subaccount Investment Earnings	${_____}

9. Shortfalls in Required Subaccount Levels as of Current Payment Date:

i.	Capital Subaccount	${_____}

In WITNESS WHEREOF, the undersigned has duly executed and delivered this Semi-Annual Servicer's Certificate this {____} day of {_____}, 20{__}.

CONSUMERS ENERGY COMPANY,
as Servicer

By: _____
Name:
Title:

EXHIBIT D

FORM OF REGULATION AB SERVICER CERTIFICATE

See attached.

SERVICER CERTIFICATE

The undersigned hereby certifies that the undersigned is the duly elected and acting {_____} of CONSUMERS ENERGY COMPANY, as servicer (the "Servicer") under the Securitization Property Servicing Agreement dated as of December 12, 2023 (the "Servicing Agreement") by and between the Servicer and CONSUMERS 2023 SECURITIZATION FUNDING LLC, and further certifies that:

1. The undersigned is responsible for assessing the Servicer's compliance with the servicing criteria set forth in Item 1122(d) of Regulation AB (the "Servicing Criteria").

2. With respect to each of the Servicing Criteria, the undersigned has made the following assessment of the Servicing Criteria in accordance with Item 1122(d) of Regulation AB, with such discussion regarding the performance of such Servicing Criteria during the fiscal year covered by the Sponsor's annual report on Form 10-K:

Regulation AB Reference	**Servicing Criteria**	**Assessment**
	General Servicing Considerations	
1122(d)(1)(i)	Policies and procedures are instituted to monitor any performance or other triggers and events of default in accordance with the transaction agreements.	Applicable; assessment below.
1122(d)(1)(ii)	If any material servicing activities are outsourced to third parties, policies and procedures are instituted to monitor the third party's performance and compliance with such servicing activities.	Applicable.
1122(d)(1)(iii)	Any requirements in the transaction agreements to maintain a back-up servicer for pool assets are maintained.	Not applicable; transaction agreements do not provide for a back-up servicer.
1122(d)(1)(iv)	A fidelity bond and errors and omissions policy is in effect on the party participating in the servicing function throughout the reporting period in the amount of coverage required by and otherwise in accordance with the terms of the transaction agreements.	Not applicable; transaction agreements do not require a fidelity bond or errors and omissions policy.
1122(d)(1)(v)	Aggregation of information, as applicable, is mathematically accurate, and the information conveyed accurately reflects the information.	Applicable.
	Cash Collection and Administration	
1122(d)(2)(i)	Payments on pool assets are deposited into the appropriate custodial bank accounts and related bank clearing accounts no more than two business days of receipt, or such other number of days specified in the transaction agreements.	Applicable.

Regulation AB Reference	Servicing Criteria	Assessment
1122(d)(2)(ii)	Disbursements made via wire transfer on behalf of an obligor or to an investor are made only by authorized personnel.	Applicable.
1122(d)(2)(iii)	Advances of funds or guarantees regarding collections, cash flows or distributions, and any interest or other fees charged for such advances, are made, reviewed and approved as specified in the transaction agreements.	Applicable; no advances by the Servicer are permitted under the transaction agreements, except for payments of certain indemnities.
1122(d)(2)(iv)	The related accounts for the transaction, such as cash reserve accounts or accounts established as a form of overcollateralization, are separately maintained (e.g., with respect to commingling of cash) as set forth in the transaction agreements.	Applicable, but no current assessment is required since the related accounts are maintained by the Indenture Trustee.
1122(d)(2)(v)	Each custodial account is maintained at a federally insured depository institution as set forth in the transaction agreements. For purposes of this criterion, "federally insured depository institution" with respect to a foreign financial institution means a foreign financial institution that meets the requirements of Rule 13k-1(b)(1) under the Exchange Act.	Applicable, but no current assessment required; all "custodial accounts" are maintained by the Indenture Trustee.
1122(d)(2)(vi)	Unissued checks are safeguarded so as to prevent unauthorized access.	Not applicable; all payments made by ACH or wire transfer.
1122(d)(2)(vii)	Reconciliations are prepared on a monthly basis for all asset-backed securities related bank accounts, including custodial accounts and related bank clearing accounts. These reconciliations are: (A) mathematically accurate; (B) prepared within 30 calendar days after the bank statement cutoff date, or such other number of days specified in the transaction agreements; (C) reviewed and approved by someone other than the person who prepared the reconciliation; and (D) contain explanations for reconciling items. These reconciling items are resolved within 90 calendar days of their original identification, or such other number of days specified in the transaction agreements.	Applicable; assessment below.

Regulation AB Reference	Servicing Criteria	Assessment
	Investor Remittances and Reporting	
1122(d)(3)(i)	Reports to investors, including those to be filed with the SEC, are maintained in accordance with the transaction agreements and applicable SEC requirements. Specifically, such reports: (A) are prepared in accordance with timeframes and other terms set forth in the transaction agreements; (B) provide information calculated in accordance with the terms specified in the transaction agreements; (C) are filed with the SEC as required by its rules and regulations; and (D) agree with investors' or the trustee's records as to the total unpaid principal balance and number of pool assets serviced by the servicer.	Applicable; assessment below.
1122(d)(3)(ii)	Amounts due to investors are allocated and remitted in accordance with timeframes, distribution priority and other terms set forth in the transaction agreements.	Applicable, but no current assessment required; all amounts due to investors are allocated and remitted by the Indenture Trustee.
1122(d)(3)(iii)	Disbursements made to an investor are posted within two business days to the servicer's investor records, or such other number of days specified in the transaction agreements.	Applicable, but no current assessment required; all disbursements made to investors are posted by the Indenture Trustee.
1122(d)(3)(iv)	Amounts remitted to investors per the investor reports agree with cancelled checks, or other form of payment, or custodial bank statements.	Applicable, but no current assessment required; all amounts remitted to investors per the investor reports are remitted by the Indenture Trustee.
	Pool Asset Administration	
1122(d)(4)(i)	Collateral or security on pool assets is maintained as required by the transaction agreements or related pool asset documents.	Applicable; assessment below.
1122(d)(4)(ii)	Pool assets and related documents are safeguarded as required by the transaction agreements.	Applicable; assessment below.
1122(d)(4)(iii)	Any additions, removals or substitutions to the asset pool are made, reviewed and approved in accordance with any conditions or requirements in the transaction agreements.	Not applicable; no removals or substitutions of Securitization Property are contemplated or allowed under the transaction documents.

Regulation AB Reference	Servicing Criteria	Assessment
1122(d)(4)(iv)	Payments on pool assets, including any payoffs, made in accordance with the related pool asset documents are posted to the servicer's obligor records maintained no more than two business days after receipt, or such other number of days specified in the transaction agreements, and allocated to principal, interest or other items (e.g., escrow) in accordance with the related pool asset agreements.	Applicable; assessment below.
1122(d)(4)(v)	The servicer's records regarding the pool assets agree with the servicer's records with respect to an obligor's unpaid principal balance.	Not applicable; underlying obligation (Securitization Charge) is not an instrument with a principal balance.
1122(d)(4)(vi)	Changes with respect to the terms or status of an obligor's pool assets (e.g., loan modifications or re-agings) are made, reviewed and approved by authorized personnel in accordance with the transaction agreements and related pool asset documents.	Applicable; Servicer actions governed by Commission regulations. Changes will be made in connection with the true-up procedures outlined in the Servicing Agreement and approved by the Commission.
1122(d)(4)(vii)	Loss mitigation or recovery actions (e.g., forbearance plans, modifications and deeds in lieu of foreclosure, foreclosures and repossessions, as applicable) are initiated, conducted and concluded in accordance with the timeframes or other requirements established by the transaction agreements.	Applicable; limited assessment below. Servicer actions governed by Commission regulations.
1122(d)(4)(viii)	Records documenting collection efforts are maintained during the period a pool asset is delinquent in accordance with the transaction agreements. Such records are maintained on at least a monthly basis, or such other period specified in the transaction agreements, and describe the entity's activities in monitoring delinquent pool assets, including, for example, phone calls, letters and payment rescheduling plans in cases where delinquency is deemed temporary (e.g., illness or unemployment).	Applicable, but does not require assessment since no explicit documentation requirement with respect to delinquent accounts are imposed under the transaction agreements due to availability of "true-up" mechanism. Any such documentation is maintained in accordance with applicable Commission regulations.

Regulation AB Reference	Servicing Criteria	Assessment
1122(d)(4)(ix)	Adjustments to interest rates or rates of return for pool assets with variable rates are computed based on the related pool asset documents.	Not applicable; Securitization Charges are not interest-bearing instruments.
1122(d)(4)(x)	Regarding any funds held in trust for an obligor (such as escrow accounts): (A) such funds are analyzed, in accordance with the obligor's pool asset documents, on at least an annual basis, or such other period specified in the transaction agreements; (B) interest on such funds is paid, or credited, to obligors in accordance with applicable pool asset documents and state laws; and (C) such funds are returned to the obligor within 30 calendar days of full repayment of the related pool assets, or such other number of days specified in the transaction agreements.	Not applicable.
1122(d)(4)(xi)	Payments made on behalf of an obligor (such as tax or insurance payments) are made on or before the related penalty or expiration dates, as indicated on the appropriate bills or notices for such payments, provided that such support has been received by the servicer at least 30 calendar days prior to these dates, or such other number of days specified in the transaction agreements.	Not applicable; Servicer does not make payments on behalf of obligors.
1122(d)(4)(xii)	Any late payment penalties in connection with any payment to be made on behalf of an obligor are paid from the servicer's funds and not charged to the obligor, unless the late payment was due to the obligor's error or omission.	Not applicable; Servicer cannot make advances of its own funds on behalf of customers under the transaction agreements.
1122(d)(4)(xiii)	Disbursements made on behalf of an obligor are posted within two business days to the obligor's records maintained by the servicer, or such other number of days specified in the transaction agreements.	Not applicable; Servicer cannot make advances of its own funds on behalf of customers to pay principal or interest on the bonds.
1122(d)(4)(xiv)	Delinquencies, charge-offs and uncollectible accounts are recognized and recorded in accordance with the transaction agreements.	Applicable; assessment below.
1122(d)(4)(xv)	Any external enhancement or other support, identified in Item 1114(a)(1) through (3) or Item 1115 of Regulation AB, is maintained as set forth in the transaction agreements.	Not applicable; no external enhancement is required under the transaction agreements.

3. To the best of the undersigned's knowledge, based on such review, the Servicer is in compliance in all material respects with the applicable servicing criteria set forth above as of and for the period ended the end of the fiscal year covered by the Sponsor's annual report on Form 10-K. {If not true, include description of any material instance of noncompliance.}

4. {PricewaterhouseCoopers LLP, an independent registered public accounting firm, has issued an attestation report on the Servicer's assessment of compliance with the applicable servicing criteria as of and for the period ended the end of the fiscal year covered by the Sponsor's annual report on Form 10-K.

5.} Capitalized terms used but not defined herein have their respective meanings as set forth in the Servicing Agreement.

Executed as of this {____} day of {_____}, 20{__}.

CONSUMERS ENERGY COMPANY,
as Servicer

By: _____
Name:
Title:

EXHIBIT E

FORM OF CERTIFICATE OF COMPLIANCE

See attached.

CERTIFICATE OF COMPLIANCE

The undersigned hereby certifies that the undersigned is the duly elected and acting {_____} of CONSUMERS ENERGY COMPANY, as servicer (the "Servicer") under the Securitization Property Servicing Agreement dated as of December 12, 2023 (the "Servicing Agreement") by and between the Servicer and CONSUMERS 2023 SECURITIZATION FUNDING LLC, and further certifies that:

1. A review of the activities of the Servicer and of its performance under the Servicing Agreement during the twelve months ended {_____}, 20{__} has been made under the supervision of the undersigned pursuant to Section 3.03 of the Servicing Agreement.

2. To the undersigned's knowledge, based on such review, the Servicer has fulfilled all of its obligations in all material respects under the Servicing Agreement throughout the twelve months ended {_____}, 20{__}, except as set forth on Exhibit A hereto.

Executed as of this {____} day of {_____}, 20{__}.

CONSUMERS ENERGY COMPANY,
as Servicer

By: _____
Name:
Title:

EXHIBIT A
TO
CERTIFICATE OF COMPLIANCE

LIST OF SERVICER DEFAULTS

The following Servicer Defaults, or events that with the giving of notice, the lapse of time, or both, would become Servicer Defaults, known to the undersigned occurred during the twelve months ended {_____}, 20{__}:

Nature of Default	Status
{_____}	{_____}

EXHIBIT F

EXPECTED AMORTIZATION SCHEDULE

See Attached.

EXPECTED AMORTIZATION SCHEDULE

Outstanding Principal Balance Per Tranche

Semi-Annual Payment Date	Tranche A-1 Balance	Tranche A-2 Balance
Closing Date	$ 250,000,000.00	$ 396,000,000.00
9/1/2024	$ 192,403,907.92	$ 396,000,000.00
3/1/2025	$ 150,669,739.57	$ 396,000,000.00
9/1/2025	$ 107,699,405.15	$ 396,000,000.00
3/1/2026	$ 63,456,289.43	$ 396,000,000.00
9/1/2026	$ 17,902,692.62	$ 396,000,000.00
3/1/2027	$ 0.00	$ 366,999,798.28
9/1/2027	$ 0.00	$ 318,764,335.59
3/1/2028	$ 0.00	$ 269,194,438.83
9/1/2028	$ 0.00	$ 218,253,190.88
3/1/2029	$ 0.00	$ 165,902,653.31
9/1/2029	$ 0.00	$ 112,103,838.11
3/1/2030	$ 0.00	$ 56,816,678.69
9/1/2030	$ 0.00	$ 0.00

APPENDIX A

DEFINITIONS AND RULES OF CONSTRUCTION

A. Defined Terms. The following terms have the following meanings:

"17g-5 Website" is defined in Section 10.18 of the Indenture.

"Account Bank" means The Bank of New York Mellon, a New York banking corporation, solely in the capacity of a "bank" as defined in the NY UCC or any successor account bank under the Indenture.

"Account Records" is defined in Section 1(a)(i) of the Administration Agreement.

"Act" is defined in Section 10.03(a) of the Indenture.

"Additional Interim True-Up Adjustment" means any Interim True-Up Adjustment made pursuant to Section 4.01(b)(iii) of the Servicing Agreement.

"Administration Agreement" means the Administration Agreement, dated as of the Closing Date, by and between Consumers Energy and the Issuer.

"Administration Fee" is defined in Section 2 of the Administration Agreement.

"Administrator" means Consumers Energy, as Administrator under the Administration Agreement, or any successor Administrator to the extent permitted under the Administration Agreement.

"Affiliate" means, with respect to any specified Person, any other Person controlling or controlled by or under common control with such specified Person. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such specified Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Affiliate Wheeling" means a Person's use of direct access service where an electric utility delivers electricity generated at a Person's industrial site to that Person or that Person's affiliate at a location, or general aggregated locations, within the State of Michigan that was either one of the following: (a) for at least 90 days during the period from January 1, 1996 to October 1, 1999, supplied by Self-Service Power, but only to the extent of the capacity reserved or load served by Self-Service Power during the period; or (b) capable of being supplied by a Person's cogeneration capacity within the State of Michigan that has had since January 1, 1996 a rated capacity of 15 megawatts or less, was placed in service before December 31, 1975 and has been in continuous service since that date. The term affiliate for purposes of this definition means a Person that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with another specified entity, where control means, whether through an ownership, beneficial, contractual or equitable interest, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person or the ownership of at least 7% of an entity either directly or indirectly.

"Amendatory Schedule" means a revision to service riders or any other notice filing filed with the Commission in respect of the Securitization Rate Schedule pursuant to a True-Up Adjustment.

"Annual Accountant's Report" is defined in Section 3.04(a) of the Servicing Agreement.

"Annual True-Up Adjustment" means each adjustment to the Securitization Charges made pursuant to the terms of the Financing Order in accordance with Section 4.01(b)(i) of the Servicing Agreement.

"Annual True-Up Adjustment Date" means the first billing cycle of January of each year, commencing in January 2025.

"Authorized Denomination" is defined in Section 4 of the Series Supplement.

"Authorized Officers" is defined in Section 10.04 of the Indenture.

"Back-Up Security Interest" is defined in Section 2.01(a) of the Sale Agreement.

"Bankruptcy Code" means Title 11 of the United States Code (11 U.S.C. §§ 101 et seq.).

"Basic Documents" means the Indenture, the Administration Agreement, the Sale Agreement, the Bill of Sale, the Certificate of Formation, the LLC Agreement, the Servicing Agreement, the Series Supplement, the Intercreditor Agreement, the Letter of Representations, the Underwriting Agreement and all other documents and certificates delivered in connection therewith.

"Bill of Sale" means a bill of sale substantially in the form of Exhibit A to the Sale Agreement delivered pursuant to Section 2.02(a) of the Sale Agreement.

"Billed Securitization Charges" means the amounts of Securitization Charges billed by the Servicer.

"Billing Period" means the period created by dividing the calendar year into 12 consecutive periods of approximately 21 Servicer Business Days.

"Bills" means each of the regular monthly bills, summary bills, opening bills and closing bills issued to Customers by Consumers Energy in its capacity as Servicer.

"Book-Entry Form" means, with respect to any Securitization Bond, that the ownership and transfers of such Securitization Bond shall be made through book entries by a Clearing Agency as described in Section 2.11 of the Indenture and in the Series Supplement.

"Book-Entry Securitization Bonds" means any Securitization Bonds issued in Book-Entry Form; provided, however, that, after the occurrence of a condition whereupon book-entry registration and transfer are no longer permitted and Definitive Securitization Bonds are to be issued to the Holder of such Securitization Bonds, such Securitization Bonds shall no longer be "Book-Entry Securitization Bonds".

"Business Day" means any day other than a Saturday, a Sunday or a day on which banking institutions in Detroit, Michigan, Jackson, Michigan, or New York, New York are, or DTC or the Corporate Trust Office is, authorized or obligated by law, regulation or executive order to be closed.

"Calculation Period" means, with respect to any True-Up Adjustment, the period comprised of the 12 consecutive Collection Periods beginning with the Collection Period in which such True-Up Adjustment would go into effect; provided, that, in the case of any True-Up Adjustment that would go into effect after the date that is 12 months prior to the Scheduled Final Payment Date of a Tranche of Securitization Bonds with respect to which such True-Up Adjustment is being made, the Calculation Period shall begin on the date the True-Up Adjustment would go into effect and end on the Payment Date following such True-Up Adjustment date; provided, further, that, for the purpose of calculating the first Periodic Payment Requirement as of the Closing Date, "Calculation Period" means, initially, the period commencing on the Closing Date and ending on the last day of the billing cycle of December 2024.

"Capital Subaccount" is defined in Section 8.02(a) of the Indenture.

"Capital Subaccount Investment Earnings" shall mean, for any Payment Date with respect to any Calculation Period, the sum of (a) an amount equal to investment earnings since the previous Payment Date (or, in the case of the first Payment Date, since the Closing Date) on the initial amount deposited by Consumers Energy in the Capital Subaccount plus (b) any such amounts not paid on any prior Payment Date.

"Certificate of Compliance" means the certificate referred to in Section 3.03 of the Servicing Agreement and substantially in the form of Exhibit E to the Servicing Agreement.

"Certificate of Formation" means the Certificate of Formation filed with the Secretary of State of the State of Delaware on August 16, 2023 pursuant to which the Issuer was formed.

"Claim" means a "claim" as defined in Section 101(5) of the Bankruptcy Code.

"Clearing Agency" means an organization registered as a "clearing agency" pursuant to Section 17A of the Exchange Act.

"Clearing Agency Participant" means a securities broker, dealer, bank, trust company, clearing corporation or other financial institution or other Person for whom from time to time a Clearing Agency effects book entry transfers and pledges of securities deposited with such Clearing Agency.

"Closing Date" means December 12, 2023, the date on which the Securitization Bonds are originally issued in accordance with Section 2.10 of the Indenture and the Series Supplement.

"Code" means the Internal Revenue Code of 1986.

"Collection Account" is defined in Section 8.02(a) of the Indenture.

"Collection in Full of the Securitization Charges" means the day on which the aggregate amounts on deposit in the General Subaccount and the Excess Funds Subaccount are sufficient to pay in full all the Outstanding Securitization Bonds and to replenish any shortfall in the Capital Subaccount.

"Collection Period" means any period commencing on the first Servicer Business Day of any Billing Period and ending on the last Servicer Business Day of such Billing Period.

"Commission" means the Michigan Public Service Commission.

"Commission Regulations" means all regulations, rules, tariffs and laws (including any temporary regulations or rules) applicable to public utilities or Securitization Bonds, as the case may be, and promulgated by, enforced by or otherwise within the jurisdiction of the Commission.

"Company Minutes" is defined in Section 1(a)(iv) of the Administration Agreement.

"Consumers Energy" means Consumers Energy Company, a Michigan corporation.

"Corporate Trust Office" means the office of the Indenture Trustee at which, at any particular time, the Indenture shall be administered, which office as of the Closing Date is located at 240 Greenwich Street, Floor 7, New York, New York 10286, Attention: Consumers 2023 Securitization Funding LLC, Series 2023A, Telephone: (212) 815-2484, Email:Jacqueline.Kuhn@bnymellon.com, or at such other address as the Indenture Trustee may designate from time to time by notice to the Holders of Securitization Bonds and the Issuer, or the principal corporate trust office of any successor trustee designated by like notice.

"Covenant Defeasance Option" is defined in Section 4.01(b) of the Indenture.

"Customers" means all existing and future retail electric distribution customers of Consumers Energy or its successors, including all existing and future retail electric customers who are obligated to pay Securitization Charges pursuant to the Financing Order, except that "Customers" shall exclude (i) customers taking retail open access service from Consumers Energy as of December 17, 2020 to the extent that those retail open access customers remain, without transition to bundled service, on Consumers Energy's retail choice program, (ii) customers to the extent they obtain or use Self-Service Power and (iii) customers to the extent engaged in Affiliate Wheeling.

"Daily Remittance" is defined in Section 6.11(a) of the Servicing Agreement.

"Default" means any occurrence that is, or with notice or the lapse of time or both would become, an Event of Default.

"Definitive Securitization Bonds" is defined in Section 2.11 of the Indenture.

"Depositor" means Consumers Energy, in its capacity as depositor of the Securitization Bonds.

"DTC" means The Depository Trust Company.

"Electronic Means" means the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Indenture Trustee, or another method or system specified by the Indenture Trustee as available for use in connection with its services under the Indenture.

"Eligible Account" means a segregated non-interest-bearing trust account with an Eligible Institution.

"Eligible Institution" means:

(a) the corporate trust department of the Indenture Trustee, so long as any of the securities of the Indenture Trustee (i) has either a short-term credit rating from Moody's of at least "P-1" or a long-term unsecured debt rating from Moody's of at least "A2" and (ii) has a credit rating from S&P of at least "A"; or

(b) a depository institution organized under the laws of the United States of America or any State (or any domestic branch of a foreign bank) (i) that has either (A) a long-term issuer rating of "AA-" or higher by S&P and "A2" or higher by Moody's or (B) a short-term issuer rating of "A-1" or higher by S&P and "P-1" or higher by Moody's, and (ii) whose deposits are insured by the Federal Deposit Insurance Corporation.

If so qualified under clause (b) of this definition, the Indenture Trustee may be considered an Eligible Institution for the purposes of clause (a) of this definition.

"Eligible Investments" means instruments or investment property that evidence:

(a) direct obligations of, or obligations fully and unconditionally guaranteed as to timely payment by, the United States of America;

(b) demand or time deposits of, unsecured certificates of deposit of, money market deposit accounts of, or bankers' acceptances issued by, any depository institution (including the Indenture Trustee, acting in its commercial capacity) incorporated or organized under the laws of the United States of America or any State thereof and subject to supervision and examination by U.S. federal or state banking authorities, so long as the commercial paper or other short-term debt obligations of such depository institution are, at the time of deposit or contractual commitment, rated at least "A-1" and "P-1" or their equivalents by each of S&P and Moody's or such lower rating as will not result in the downgrading or withdrawal of the ratings of the Securitization Bonds;

(c) commercial paper (including commercial paper of the Indenture Trustee, acting in its commercial capacity, and other than commercial paper of Consumers Energy or any of its Affiliates), which at the time of purchase is rated at least "A-1" and "P-1" or their equivalents by each of S&P and Moody's or such lower rating as will not result in the downgrading or withdrawal of the ratings of the Securitization Bonds;

(d) investments in money market funds having a rating in the highest investment category granted thereby (including funds for which the Indenture Trustee or any of its Affiliates is investment manager or advisor) from Moody's and S&P;

(e) repurchase obligations with respect to any security that is a direct obligation of, or fully guaranteed by, the United States of America or its agencies or instrumentalities, entered into with Eligible Institutions;

(f) repurchase obligations with respect to any security or whole loan entered into with an Eligible Institution or with a registered broker/dealer acting as principal and that meets the ratings criteria set forth below:

(i) a broker/dealer (acting as principal) registered as a broker or dealer under Section 15 of the Exchange Act (any such broker/dealer being referred to in this definition as a "broker/dealer"), the unsecured short-term debt obligations of which are rated at least "P-1" by Moody's and "A-1+" by S&P at the time of entering into such repurchase obligation; or

(ii) an unrated broker/dealer, acting as principal, that is a wholly-owned subsidiary of a non-bank or bank holding company the unsecured short-term debt obligations of which are rated at least "P-1" by Moody's and "A-1+" by S&P at the time of purchase so long as the obligations of such unrated broker/dealer are unconditionally guaranteed by such non-bank or bank holding company; or

(g) any other investment permitted by each of the Rating Agencies,

in each case maturing not later than the Business Day preceding the next Payment Date or Special Payment Date, if applicable (for the avoidance of doubt, investments in money market funds or similar instruments that are redeemable on demand shall be deemed to satisfy the foregoing requirement). Notwithstanding the foregoing: (1) no securities or investments that mature in 30 days or more shall be "Eligible Investments" unless the issuer thereof has either a short-term unsecured debt rating of at least "P-1" from Moody's or a long-term unsecured debt rating of at least "A1" from Moody's; (2) no securities or investments described in clauses (b) through (d) above that have maturities of more than 30 days but less than or equal to 3 months shall be "Eligible Investments" unless the issuer thereof has a long-term unsecured debt rating of at least "A1" from Moody's and a short-term unsecured debt rating of at least "P-1" from Moody's; (3) no securities or investments described in clauses (b) through (d) above that have maturities of more than 3 months shall be "Eligible Investments" unless the issuer thereof has a long-term unsecured debt rating of at least "A1" from Moody's and a short-term unsecured debt rating of at least "P-1" from Moody's; (4) no securities or investments described in clauses (b) through (d) above that have a maturity of 60 days or less shall be "Eligible Investments" unless such securities have a rating from S&P of at least "A-1"; and (5) no securities or investments described in clauses (b) through (d) above that have a maturity of more than 60 days shall be "Eligible Investments" unless such securities have a rating from S&P of at least "AA-", "A-1+" or "AAAm".

"Event of Default" is defined in Section 5.01 of the Indenture.

"Excess Funds Subaccount" is defined in Section 8.02(a) of the Indenture.

"Exchange Act" means the Securities Exchange Act of 1934.

"Expected Amortization Schedule" means, with respect to any Tranche, the expected amortization schedule related thereto set forth in the Series Supplement.

"Federal Book-Entry Regulations" means 31 C.F.R. Part 357 et seq. (Department of Treasury).

"Federal Funds Rate" means, for any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published for such day (or, if such day is not a Business Day, for the preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for such day on such transactions received by the Servicer from three federal funds brokers of recognized standing selected by it.

"Final" means, with respect to the Financing Order, that the Financing Order has become final, that the Financing Order is not being appealed and that the time for filing an appeal thereof has expired.

"Final Maturity Date" means, with respect to each Tranche of Securitization Bonds, the final maturity date therefor as specified in the Series Supplement.

"Financing Order" means the financing order issued under the Statute by the Commission to Consumers Energy on December 17, 2020, Case No. U-20889, authorizing the creation of the Securitization Property. Consumers Energy unconditionally accepted all conditions and limitations requested by such order in a letter dated January 7, 2021 from Consumers Energy to the Commission.

"General Subaccount" is defined in Section 8.02(a) of the Indenture.

"Global Securitization Bond" means a Securitization Bond to be issued to the Holders thereof in Book-Entry Form, which Global Securitization Bond shall be issued to the Clearing Agency, or its nominee, in accordance with Section 2.11 of the Indenture and the Series Supplement.

"Governmental Authority" means any nation or government, any U.S. federal, state, local or other political subdivision thereof and any court, administrative agency or other instrumentality or entity exercising executive, legislative, judicial, regulatory or administrative functions of government.

"Grant" means mortgage, pledge, bargain, sell, warrant, alienate, remise, release, convey, grant, transfer, create, grant a lien upon, a security interest in and right of set-off against, deposit, set over and confirm pursuant to the Indenture and the Series Supplement. A Grant of the Securitization Bond Collateral or of any other agreement or instrument included therein shall include all rights, powers and options (but none of the obligations) of the granting party thereunder, including the immediate and continuing right to claim for, collect, receive and give receipt for payments in respect of the Securitization Bond Collateral and all other moneys payable thereunder, to give and receive notices and other communications, to make waivers or other agreements, to exercise all rights and options, to bring Proceedings in the name of the granting party or otherwise and generally to do and receive anything that the granting party is or may be entitled to do or receive thereunder or with respect thereto.

"Hague Securities Convention" means the Convention on the Law Applicable to Certain Rights in Respect of Securities Held with an Intermediary, ratified September 28, 2016, S. Treaty Doc. No. 112-6 (2012).

"Holder" means the Person in whose name a Securitization Bond is registered on the Securitization Bond Register.

"Indemnified Losses" is defined in Section 5.03 of the Servicing Agreement.

"Indemnified Party" is defined in Section 6.02(a) of the Servicing Agreement.

"Indemnified Person" is defined in Section 5.01(f) of the Sale Agreement.

"Indemnitee" is defined in Section 6.07 of the Indenture.

"Indenture" means the Indenture, dated as of the Closing Date, by and between the Issuer and The Bank of New York Mellon, a New York banking corporation, as Indenture Trustee, as Securities Intermediary and as Account Bank.

"Indenture Trustee" means The Bank of New York Mellon, a New York banking corporation, as indenture trustee for the benefit of the Secured Parties, or any successor indenture trustee for the benefit of the Secured Parties, under the Indenture.

"Indenture Trustee Cap" is defined in Section 8.02(e)(i) of the Indenture.

"Independent" means, when used with respect to any specified Person, that such specified Person (a) is in fact independent of the Issuer, any other obligor on the Securitization Bonds, the Seller, the Servicer and any Affiliate of any of the foregoing Persons, (b) does not have any direct financial interest or any material indirect financial interest in the Issuer, any such other obligor, the Seller, the Servicer or any Affiliate of any of the foregoing Persons and (c) is not connected with the Issuer, any such other obligor, the Seller, the Servicer or any Affiliate of any of the foregoing Persons as an officer, employee, promoter, underwriter, trustee, partner, director (other than as an independent director or manager) or Person performing similar functions.

"Independent Certificate" means a certificate to be delivered to the Indenture Trustee under the circumstances described in, and otherwise complying with, the applicable requirements of Section 10.01 of the Indenture, made by an Independent appraiser or other expert appointed by an Issuer Order and consented to by the Indenture Trustee, and such certificate shall state that the signer has read the definition of "Independent" in the Indenture and that the signer is Independent within the meaning thereof.

"Independent Manager" is defined in Section 4.01(a) of the LLC Agreement.

"Insolvency Event" means, with respect to a specified Person: (a) the filing of a decree or order for relief by a court having jurisdiction in the premises in respect of such specified Person or any substantial part of its property in an involuntary case under any applicable U.S. federal or state bankruptcy, insolvency or other similar law in effect as of the Closing Date or thereafter, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for such specified Person or for any substantial part of its property, or ordering the winding-up or liquidation of such specified Person's affairs, and such decree or order shall remain unstayed and in effect for a period of 60 consecutive days; or (b) the commencement by such specified Person of a voluntary case under any applicable U.S. federal or state bankruptcy, insolvency or other similar law in effect as of the Closing Date or thereafter, or the consent by such specified Person to the entry of an order for relief in an involuntary case under any such law, or the consent by such specified Person to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for such specified Person or for any substantial part of its property, or the making by such specified Person of any general assignment for the benefit of creditors, or the failure by such specified Person generally to pay its debts as such debts become due, or the taking of action by such specified Person in furtherance of any of the foregoing.

"Instructions" is defined in Section 10.04 of the Indenture.

"Intercreditor Agreement" means that certain Intercreditor Agreement, dated as of the Closing Date, by and among the Issuer, the Indenture Trustee, Consumers Energy, Consumers 2014 Securitization Funding LLC and the trustee for the securitization bonds issued by Consumers 2014 Securitization Funding LLC, and any subsequent such agreement.

"Interim True-Up Adjustment" means either a Semi-Annual Interim True-Up Adjustment made in accordance with Section 4.01(b)(ii) of the Servicing Agreement or an Additional Interim True-Up Adjustment made in accordance with Section 4.01(b)(iii) of the Servicing Agreement.

"Investment Company Act" means the Investment Company Act of 1940.

"Investment Earnings" means investment earnings on funds deposited in the Collection Account net of losses and investment expenses.

"Issuer" means Consumers 2023 Securitization Funding LLC, a Delaware limited liability company, named as such in the Indenture until a successor replaces it and, thereafter, means the successor and, for purposes of any provision contained herein and required by the Trust Indenture Act, each other obligor on the Securitization Bonds.

"Issuer Documents" is defined in Section 1(a)(iv) of the Administration Agreement.

"Issuer Order" means a written order signed in the name of the Issuer by any one of its Responsible Officers and delivered to the Indenture Trustee or Paying Agent, as applicable.

"Issuer Request" means a written request signed in the name of the Issuer by any one of its Responsible Officers and delivered to the Indenture Trustee or Paying Agent, as applicable.

"Legal Defeasance Option" is defined in Section 4.01(b) of the Indenture.

"Letter of Representations" means any applicable agreement between the Issuer and the applicable Clearing Agency, with respect to such Clearing Agency's rights and obligations (in its capacity as a Clearing Agency) with respect to any Book-Entry Securitization Bonds.

"Lien" means a security interest, lien, mortgage, charge, pledge, claim or encumbrance of any kind.

"LLC Agreement" means the Amended and Restated Limited Liability Company Agreement of Consumers 2023 Securitization Funding LLC, dated as of the Closing Date.

"Losses" means (a) any and all amounts of principal of and interest on the Securitization Bonds not paid when due or when scheduled to be paid in accordance with their terms and the amounts of any deposits by or to the Issuer required to have been made in accordance with the terms of the Basic Documents or the Financing Order that are not made when so required and (b) any and all other liabilities, obligations, losses, claims, damages, payments, costs or expenses of any kind whatsoever.

"Manager" means each manager of the Issuer under the LLC Agreement.

"Member" has the meaning specified in the preamble of the LLC Agreement.

"Michigan UCC" means the Uniform Commercial Code as in effect on the Closing Date in the State of Michigan.

"Monthly Servicer's Certificate" is defined in Section 3.01(b)(i) of the Servicing Agreement.

"Moody's" means Moody's Investors Service, Inc. References to Moody's are effective so long as Moody's is a Rating Agency.

"NY UCC" means the Uniform Commercial Code as in effect on the Closing Date in the State of New York.

"Officer's Certificate" means a certificate signed by a Responsible Officer of the Issuer under the circumstances described in, and otherwise complying with, the applicable requirements of Section 10.01 of the Indenture, and delivered to the Indenture Trustee.

"Ongoing Other Qualified Costs" means the Qualified Costs described as such in the Financing Order, including Operating Expenses and any other costs identified in the Basic Documents; provided, however, that Ongoing Other Qualified Costs do not include the Issuer's costs of issuance of the Securitization Bonds and Consumers Energy's costs of retiring existing debt and equity securities.

"Operating Expenses" means all unreimbursed fees, costs and out-of-pocket expenses of the Issuer (other than interest on the Securitization Bonds), including all amounts owed by the Issuer to the Indenture Trustee (including indemnities, legal fees and expenses and audit fees and expenses) or any Manager, the Servicing Fee, any other amounts owed to the Servicer pursuant to the Servicing Agreement, the Administration Fee, any other amounts owed to the Administrator pursuant to the Administration Agreement, legal and accounting fees, Rating Agency fees and any franchise or other taxes owed by the Issuer.

"Opinion of Counsel" means one or more written opinions of counsel, who may, except as otherwise expressly provided in the Basic Documents, be employees of or counsel to the party providing such opinion of counsel, which counsel shall be reasonably acceptable to the party receiving such opinion of counsel, and shall be in form and substance reasonably acceptable to such party. Any Opinion of Counsel may be based, insofar as it relates to factual matters (including financial and capital markets matters), upon a certificate or opinion of, or representations by, an officer or officers of the Servicer or the Issuer and other documents necessary and advisable in the judgment of counsel delivering such opinion.

"Outstanding" means, as of the date of determination, all Securitization Bonds theretofore authenticated and delivered under the Indenture, except:

(a) Securitization Bonds theretofore canceled by the Securitization Bond Registrar or delivered to the Securitization Bond Registrar for cancellation;

(b) Securitization Bonds or portions thereof the payment for which money in the necessary amount has been theretofore deposited with the Indenture Trustee or any Paying Agent in trust for the Holders of such Securitization Bonds; and

(c) Securitization Bonds in exchange for or in lieu of other Securitization Bonds that have been issued pursuant to the Indenture unless proof satisfactory to the Indenture Trustee is presented that any such Securitization Bonds are held by a Protected Purchaser;

provided, that, in determining whether the Holders of the requisite Outstanding Amount of the Securitization Bonds or any Tranche thereof have given any request, demand, authorization, direction, notice, consent or waiver under any Basic Document, Securitization Bonds owned by the Issuer, any other obligor upon the Securitization Bonds, the Member, the Seller, the Servicer or any Affiliate of any of the foregoing Persons shall be disregarded and deemed not to be Outstanding (unless one or more such Persons owns 100% of such Securitization Bonds), except that, in determining whether the Indenture Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Securitization Bonds that the Indenture Trustee actually knows to be so owned shall be so disregarded. Securitization Bonds so owned that have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Indenture Trustee the pledgee's right so to act with respect to such Securitization Bonds and that the pledgee is not the Issuer, any other obligor upon the Securitization Bonds, the Member, the Seller, the Servicer or any Affiliate of any of the foregoing Persons.

"Outstanding Amount" means the aggregate principal amount of all Securitization Bonds, or, if the context requires, all Securitization Bonds of a Tranche, Outstanding at the date of determination.

"Paying Agent" means, with respect to the Indenture, the Indenture Trustee and any other Person appointed as a paying agent for the Securitization Bonds pursuant to the Indenture.

"Payment Date" means, with respect to any Tranche of Securitization Bonds, the dates specified in the Series Supplement; provided, that if any such date is not a Business Day, the Payment Date shall be the Business Day succeeding such date.

"Periodic Billing Requirement" means, for any Calculation Period, the aggregate amount of Securitization Charges calculated by the Servicer as necessary to be billed during such period in order to collect the Periodic Payment Requirement on a timely basis.

"Periodic Interest" means, with respect to any Payment Date, the periodic interest for such Payment Date as specified in the Series Supplement.

"Periodic Payment Requirement" for any Calculation Period means the total dollar amount of Securitization Charge Collections reasonably calculated by the Servicer in accordance with Section 4.01 of the Servicing Agreement as necessary to be received during such Calculation Period (after giving effect to the allocation and distribution of amounts on deposit in the Excess Funds Subaccount at the time of calculation and that are projected to be available for payments on the Securitization Bonds at the end of such Calculation Period and including any shortfalls in Periodic Payment Requirements for any prior Calculation Period) in order to ensure that, as of the last Payment Date occurring in such Calculation Period, (a) all accrued and unpaid interest on the Securitization Bonds then due shall have been paid in full on a timely basis, (b) the Outstanding Amount of the Securitization Bonds is equal to the Projected Unpaid Balance on each Payment Date during such Calculation Period, (c) the balance on deposit in the Capital Subaccount equals the Required Capital Level and (d) all other fees and expenses due and owing and required or allowed to be paid under Section 8.02 of the Indenture as of such date shall have been paid in full; provided, that, with respect to any Annual True-Up Adjustment or Interim True-Up Adjustment occurring after the date that is one year prior to the last Scheduled Final Payment Date for the Securitization Bonds, the Periodic Payment Requirements shall be calculated to ensure that sufficient Securitization Charges will be collected to retire the Securitization Bonds in full as of the next Payment Date.

"Periodic Principal" means, with respect to any Payment Date, the excess, if any, of the Outstanding Amount of Securitization Bonds over the outstanding principal balance specified for such Payment Date on the Expected Amortization Schedule.

"Permitted Lien" means the Lien created by the Indenture.

"Permitted Successor" is defined in Section 5.02 of the Sale Agreement.

"Person" means any individual, corporation, limited liability company, estate, partnership, joint venture, association, joint stock company, trust (including any beneficiary thereof), unincorporated organization or Governmental Authority.

"Predecessor Securitization Bond" means, with respect to any particular Securitization Bond, every previous Securitization Bond evidencing all or a portion of the same debt as that evidenced by such particular Securitization Bond, and, for the purpose of this definition, any Securitization Bond authenticated and delivered under Section 2.06 of the Indenture in lieu of a mutilated, lost, destroyed or stolen Securitization Bond shall be deemed to evidence the same debt as the mutilated, lost, destroyed or stolen Securitization Bond.

"Premises" is defined in Section 1(g) of the Administration Agreement.

"Proceeding" means any suit in equity, action at law or other judicial or administrative proceeding.

"Projected Unpaid Balance" means, as of any Payment Date, the sum of the projected outstanding principal balance of each Tranche of Securitization Bonds for such Payment Date set forth in the Expected Amortization Schedule.

"Prospectus" means the prospectus dated December 5, 2023 relating to the Securitization Bonds.

"Protected Purchaser" has the meaning specified in Section 8-303 of the UCC.

"Qualified Costs" means all qualified costs as defined in Section 10h(g) of the Statute allowed to be recovered by Consumers Energy under the Financing Order.

"Rating Agency" means, with respect to any Tranche of Securitization Bonds, any of Moody's or S&P that provides a rating with respect to the Securitization Bonds. If no such organization (or successor) is any longer in existence, "Rating Agency" shall be a nationally recognized statistical rating organization or other comparable Person designated by the Issuer, notice of which designation shall be given to the Indenture Trustee and the Servicer.

"Rating Agency Condition" means, with respect to any action, at least ten Business Days' prior written notification to each Rating Agency of such action, and written confirmation from each of S&P and Moody's to the Indenture Trustee and the Issuer that such action will not result in a suspension, reduction or withdrawal of the then current rating by such Rating Agency of any Tranche of Securitization Bonds; provided, that, if, within such ten Business Day period, any Rating Agency (other than S&P) has neither replied to such notification nor responded in a manner that indicates that such Rating Agency is reviewing and considering the notification, then (a) the Issuer shall be required to confirm that such Rating Agency has received the Rating Agency Condition request and, if it has, promptly request the related Rating Agency Condition confirmation and (b) if the Rating Agency neither replies to such notification nor responds in a manner that indicates it is reviewing and considering the notification within five Business Days following such second request, the applicable Rating Agency Condition requirement shall not be deemed to apply to such Rating Agency. For the purposes of this definition, any confirmation, request, acknowledgment or approval that is required to be in writing may be in the form of electronic mail or a press release (which may contain a general waiver of a Rating Agency's right to review or consent).

"Record Date" means one Business Day prior to the applicable Payment Date.

"Registered Holder" means the Person in whose name a Securitization Bond is registered on the Securitization Bond Register.

"Regulation AB" means the rules of the SEC promulgated under Subpart 229.1100 – Asset Backed Securities (Regulation AB), 17 C.F.R. §§229.1100-229.1125.

"Reimbursable Expenses" is defined in Section 2 of the Administration Agreement.

"Released Parties" is defined in Section 6.02(d) of the Servicing Agreement.

"Required Capital Level" means an amount equal to 0.5% of the initial principal amount of the Securitization Bonds.

"Requirement of Law" means any foreign, U.S. federal, state or local laws, statutes, regulations, rules, codes or ordinances enacted, adopted, issued or promulgated by any Governmental Authority or common law.

"Responsible Officer" means, with respect to: (a) the Issuer, any Manager or any duly authorized officer; (b) the Indenture Trustee, any officer within the Corporate Trust Office of such trustee (including the President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Treasurer, any Trust Officer or any other officer of the Indenture Trustee customarily performing functions similar to those performed by persons who at the time shall be such officers, respectively, and that has direct responsibility for the administration of the Indenture and also, with respect to a particular matter, any other officer to whom such matter is referred to because of such officer's knowledge and familiarity with the particular subject); (c) any corporation (other than the Indenture Trustee), the Chief Executive Officer, the President, any Vice President, the Chief Financial Officer, the Treasurer, any Assistant Treasurer or any other duly authorized officer of such Person who has been authorized to act in the circumstances; (d) any partnership, any general partner thereof; and (e) any other Person (other than an individual), any duly authorized officer or member of such Person, as the context may require, who is authorized to act in matters relating to such Person.

"S&P" means S&P Global Ratings, a division of S&P Global Inc. References to S&P are effective so long as S&P is a Rating Agency.

"Sale Agreement" means the Securitization Property Purchase and Sale Agreement, dated as of the Closing Date, by and between the Issuer and Consumers Energy, and acknowledged and accepted by the Indenture Trustee.

"Scheduled Final Payment Date" means, with respect to each Tranche of Securitization Bonds, the date when all interest and principal is scheduled to be paid with respect to that Tranche in accordance with the Expected Amortization Schedule, as specified in the Series Supplement. For the avoidance of doubt, the Scheduled Final Payment Date with respect to any Tranche shall be the last Scheduled Payment Date set forth in the Expected Amortization Schedule relating to such Tranche. The "last Scheduled Final Payment Date" means the Scheduled Final Payment Date of the latest maturing Tranche of Securitization Bonds.

"Scheduled Payment Date" means, with respect to each Tranche of Securitization Bonds, each Payment Date on which principal for such Tranche is to be paid in accordance with the Expected Amortization Schedule for such Tranche.

"SEC" means the Securities and Exchange Commission.

"Secured Obligations" means the payment of principal of and premium, if any, interest on, and any other amounts owing in respect of, the Securitization Bonds and all fees, expenses, counsel fees and other amounts due and payable to the Indenture Trustee.

"Secured Parties" means the Indenture Trustee, the Holders and any credit enhancer described in the Series Supplement.

"Securities Act" means the Securities Act of 1933.

"Securities Intermediary" means The Bank of New York Mellon, a New York banking corporation, solely in the capacity of a "securities intermediary" as defined in the NY UCC and Federal Book-Entry Regulations or any successor securities intermediary under the Indenture.

"Securitization Bond Collateral" is defined in the preamble of the Indenture.

"Securitization Bond Interest Rate" means, with respect to any Tranche of Securitization Bonds, the rate at which interest accrues on the Securitization Bonds of such Tranche, as specified in the Series Supplement.

"Securitization Bond Register" is defined in Section 2.05 of the Indenture.

"Securitization Bond Registrar" is defined in Section 2.05 of the Indenture.

"Securitization Bonds" means the securitization bonds authorized by the Financing Order and issued pursuant to the Indenture.

"Securitization Charge Collections" means Securitization Charges actually received by the Servicer to be remitted to the Collection Account.

"Securitization Charge Payments" means the payments made by Customers based on the Securitization Charges that are actually received by the Servicer.

"Securitization Charges" means any securitization charges as defined in Section 10h(i) of the Statute that are authorized by the Financing Order.

"Securitization Property" means all securitization property as defined in Section 10h(j) of the Statute created pursuant to the Financing Order and under the Statute, including the right to impose, collect and receive the Securitization Charges in an amount necessary to provide the full recovery of all Qualified Costs, the right under the Financing Order to obtain periodic adjustments of Securitization Charges under Section 10k(3) of the Statute and all revenue, collections, payments, moneys and proceeds arising out of the rights and interests described under Section 10(j) of the Statute. The term "Securitization Property" when used with respect to Consumers Energy means and includes the rights of Consumers Energy that exist prior to the time that such rights are first transferred in connection with the issuance of the Securitization Bonds so as to become Securitization Property in accordance with Section 10j(2) of the Statute and the Financing Order.

"Securitization Property Records" is defined in Section 5.01 of the Servicing Agreement.

"Securitization Rate Class" means one of the separate rate classes to whom Securitization Charges are allocated for ratemaking purposes in accordance with the Financing Order.

"Securitization Rate Schedule" means the Tariff sheets to be filed with the Commission stating the amounts of the Securitization Charges, as such Tariff sheets may be amended or modified from time to time pursuant to a True-Up Adjustment.

"Self-Service Power" means (a) electricity generated and consumed at an industrial site or contiguous industrial site or single commercial establishment or single residence without the use of an electric utility's transmission and distribution system or (b) electricity generated primarily by the use of by-product fuels, including waste water solids, which electricity is consumed as part of a contiguous facility, with the use of an electric utility's transmission and distribution system, but only if the point or points of receipt of the power within the facility are not greater than three miles distant from the point of generation. A site or facility with load existing on the effective date of the Statute that is divided by an inland body of water or by a public highway, road or street but that otherwise meets this definition meets the contiguous requirement of this definition regardless of whether Self-Service Power was being generated on the effective date of the Statute. A commercial or industrial facility or single residence that meets the requirements of clause (a) above or clause (b) above meets this definition whether or not the generation facility is owned by an entity different from the owner of the commercial or industrial site or single residence.

"Seller" is defined in the preamble to the Sale Agreement.

"Semi-Annual Interim True-Up Adjustment" means any Interim True-Up Adjustment made pursuant to Section 4.01(b)(ii) of the Servicing Agreement.

"Semi-Annual Servicer's Certificate" is defined in Section 4.01(c)(ii) of the Servicing Agreement.

"Series Supplement" means the indenture supplemental to the Indenture in the form attached as Exhibit B to the Indenture that authorizes the issuance of the Securitization Bonds.

"Servicer" means Consumers Energy, as Servicer under the Servicing Agreement.

"Servicer Business Day" means any day other than a Saturday, a Sunday or a day on which banking institutions in Detroit, Michigan, Jackson, Michigan or New York, New York are authorized or obligated by law, regulation or executive order to be closed, on which the Servicer maintains normal office hours and conducts business.

"Servicer Default" is defined in Section 7.01 of the Servicing Agreement.

"Servicing Agreement" means the Securitization Property Servicing Agreement, dated as of the Closing Date, by and between the Issuer and Consumers Energy, and acknowledged and accepted by the Indenture Trustee.

"Servicing Fee" is defined in Section 6.06(a) of the Servicing Agreement.

"Special Payment Date" means the date on which, with respect to any Tranche of Securitization Bonds, any payment of principal of or interest (including any interest accruing upon default) on, or any other amount in respect of, the Securitization Bonds of such Tranche that is not actually paid within five days of the Payment Date applicable thereto is to be made by the Indenture Trustee to the Holders.

"Special Record Date" means, with respect to any Special Payment Date, the close of business on the fifteenth day (whether or not a Business Day) preceding such Special Payment Date.

"Sponsor" means Consumers Energy, in its capacity as "sponsor" of the Securitization Bonds within the meaning of Regulation AB.

"State" means any one of the fifty states of the United States of America or the District of Columbia.

"State Pledge" means the pledge of the State of Michigan as set forth in Section 10n(2) of the Statute.

"Statute" means the laws of the State of Michigan adopted in June 2000 enacted as 2000 PA 142.

"Subaccounts" is defined in Section 8.02(a) of the Indenture.

"Successor" means any successor to Consumers Energy under the Statute, whether pursuant to any bankruptcy, reorganization or other insolvency proceeding or pursuant to any merger, acquisition, sale or transfer, by operation of law, as a result of electric utility restructuring or otherwise.

"Successor Servicer" is defined in Section 3.07(e) of the Indenture.

"Tariff" means the most current version on file with the Commission of Sheet No. C-37.10 and Sheet No. D-7.10 of Consumers Energy's Rate Book for Electric Service, M.P.S.C. 14 – Electric, or substantially comparable sheets included in a later complete revision of Consumers Energy's Rate Book for Electric Service approved and on file with the Commission.

"Tax Returns" is defined in Section 1(a)(iii) of the Administration Agreement.

"Temporary Securitization Bonds" means Securitization Bonds executed and, upon the receipt of an Issuer Order, authenticated and delivered by the Indenture Trustee pending the preparation of Definitive Securitization Bonds pursuant to Section 2.04 of the Indenture.

"Termination Notice" is defined in Section 7.01 of the Servicing Agreement.

"Tranche" means any one of the groupings of Securitization Bonds differentiated by payment date schedule, amortization schedule, sinking fund schedule, maturity date or interest rate, as specified in the Series Supplement.

"Treasury" means the U.S. Department of the Treasury.

"True-Up Adjustment" means any Annual True-Up Adjustment or Interim True-Up Adjustment, as the case may be.

"Trust Indenture Act" means the Trust Indenture Act of 1939 as in force on the Closing Date, unless otherwise specifically provided.

"UCC" means the Uniform Commercial Code as in effect in the relevant jurisdiction.

"Underwriters" means the underwriters who purchase Securitization Bonds of any Tranche from the Issuer and sell such Securitization Bonds in a public offering.

"Underwriting Agreement" means the Underwriting Agreement, dated December 5, 2023, by and among Consumers Energy, the representative of the several Underwriters named therein and the Issuer.

"U.S. Government Obligations" means direct obligations (or certificates representing an ownership interest in such obligations) of the United States of America (including any agency or instrumentality thereof) for the payment of which the full faith and credit of the United States of America is pledged and that are not callable at the option of the issuer thereof.

B. Rules of Construction. Unless the context otherwise requires, in each Basic Document to which this Appendix A is attached:

(a) All accounting terms not specifically defined herein shall be construed in accordance with United States generally accepted accounting principles. To the extent that the definitions of accounting terms in any Basic Document are inconsistent with the meanings of such terms under generally accepted accounting principles or regulatory accounting principles, the definitions contained in such Basic Document shall control.

(b) The term "including" means "including without limitation", and other forms of the verb "include" have correlative meanings.

(c) All references to any Person shall include such Person's permitted successors and assigns, and any reference to a Person in a particular capacity excludes such Person in other capacities.

(d) Unless otherwise stated in any of the Basic Documents, in the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and each of the words "to" and "until" means "to but excluding".

(e) The words "hereof", "herein" and "hereunder" and words of similar import when used in any Basic Document shall refer to such Basic Document as a whole and not to any particular provision of such Basic Document. References to Articles, Sections, Appendices and Exhibits in any Basic Document are references to Articles, Sections, Appendices and Exhibits in or to such Basic Document unless otherwise specified in such Basic Document.

(f) The various captions (including the tables of contents) in each Basic Document are provided solely for convenience of reference and shall not affect the meaning or interpretation of any Basic Document.

(g) The definitions contained in this Appendix A apply equally to the singular and plural forms of such terms, and words of the masculine, feminine or neuter gender shall mean and include the correlative words of other genders.

(h) Unless otherwise specified, references to an agreement or other document include references to such agreement or document as from time to time amended, restated, reformed, supplemented or otherwise modified in accordance with the terms thereof (subject to any restrictions on such amendments, restatements, reformations, supplements or modifications set forth in such agreement or document) and include any attachments thereto.

(i) References to any law, rule, regulation or order of a Governmental Authority shall include such law, rule, regulation or order as from time to time in effect, including any amendment, modification, codification, replacement, reenactment or successor thereof or any substitution therefor.

(j) The word "will" shall be construed to have the same meaning and effect as the word "shall".

(k) The word "or" is not exclusive.

(l) All terms defined in the relevant Basic Document to which this Appendix A is attached shall have the defined meanings when used in any certificate or other document made or delivered pursuant thereto unless otherwise defined therein.

(m) A term has the meaning assigned to it.

Exhibit 10.2

SECURITIZATION PROPERTY PURCHASE AND SALE AGREEMENT

by and between

CONSUMERS 2023 SECURITIZATION FUNDING LLC,

Issuer

and

CONSUMERS ENERGY COMPANY,

Seller

Acknowledged and Accepted by

The Bank of New York Mellon, as Indenture Trustee

Dated as of December 12, 2023

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This SECURITIZATION PROPERTY PURCHASE AND SALE AGREEMENT, dated as of December 12, 2023, is by and between Consumers 2023 Securitization Funding LLC, a Delaware limited liability company, and Consumers Energy Company, a Michigan corporation (the "Seller"), and acknowledged and accepted by The Bank of New York Mellon, as indenture trustee.

RECITALS

WHEREAS, the Issuer desires to purchase the Securitization Property created pursuant to the Statute and the Financing Order;

WHEREAS, the Seller is willing to sell its rights and interests under the Financing Order to the Issuer, whereupon such rights and interests will become the Securitization Property;

WHEREAS, the Issuer, in order to finance the purchase of the Securitization Property, will issue the Securitization Bonds under the Indenture; and

WHEREAS, the Issuer, to secure its obligations under the Securitization Bonds and the Indenture, will pledge, among other things, all right, title and interest of the Issuer in and to the Securitization Property and this Sale Agreement to the Indenture Trustee for the benefit of the Secured Parties.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS AND RULES OF CONSTRUCTION

SECTION 1.01. Definitions and Rules of Construction. Capitalized terms used but not otherwise defined in this Sale Agreement shall have the respective meanings given to such terms in Appendix A, which is hereby incorporated by reference into this Sale Agreement as if set forth fully in this Sale Agreement. Not all terms defined in Appendix A are used in this Sale Agreement. The rules of construction set forth in Appendix A shall apply to this Sale Agreement and are hereby incorporated by reference into this Sale Agreement as if set forth fully in this Sale Agreement.

ARTICLE II
CONVEYANCE OF SECURITIZATION PROPERTY

SECTION 2.01. Conveyance of Securitization Property.

(a) In consideration of the Issuer's delivery to or upon the order of the Seller of $638,670,349, subject to the conditions specified in Section 2.02, the Seller does hereby irrevocably sell, transfer, assign, set over and otherwise convey to the Issuer, without recourse or warranty, except as set forth herein, all right, title and interest of the Seller in, to and under the Securitization Property (such sale, transfer, assignment, setting over and conveyance of the Securitization Property includes, to the fullest extent permitted by the Statute and the Michigan UCC, the property, rights and interests of Consumers Energy under the Financing Order, including the right to impose, collect and receive Securitization Charges, the right to obtain True-Up Adjustments and all revenue, collections, payments, money and proceeds arising out of the rights and interests created under the Financing Order). Such sale, transfer, assignment, setting over and conveyance is hereby expressly stated to be a sale or other absolute transfer and, pursuant to Section 10*l*(1) of the Statute, shall be treated as a true sale and not as a secured transaction. The Seller and the Issuer agree that after giving effect to the sale, transfer, assignment, setting over and conveyance contemplated hereby the Seller has no right, title or interest in or to the Securitization Property to which a security interest could attach because (i) it has sold, transferred, assigned, set over and conveyed all right, title and interest in and to the Securitization Property to the Issuer, (ii) as provided in Section 10*l*(1) of the Statute, legal and equitable title shall have passed to the Issuer and (iii) as provided in Section 10m(3) of the Statute, appropriate financing statements have been filed and such transfer is perfected against all third parties, including subsequent judicial or other lien creditors. If such sale, transfer, assignment, setting over and conveyance is held by any court of competent jurisdiction not to be a true sale as provided in Section 10*l*(1) of the Statute, then such sale, transfer, assignment, setting over and conveyance shall be treated as a pledge of the Securitization Property and as the creation of a security interest (within the meaning of the Statute and the UCC) in the Securitization Property and, without prejudice to its position that it has absolutely transferred all of its rights in the Securitization Property to the Issuer, the Seller hereby grants a security interest in the Securitization Property to the Issuer (and to the Indenture Trustee for the benefit of the Secured Parties) to secure their respective rights under the Basic Documents to receive the Securitization Charges and all other Securitization Property (the "Back-Up Security Interest").

(b) Subject to Section 2.02, the Issuer does hereby purchase the Securitization Property from the Seller for the consideration set forth in Section 2.01(a).

SECTION 2.02. Conditions to Conveyance of Securitization Property. The obligation of the Seller to sell, and the obligation of the Issuer to purchase, Securitization Property on the Closing Date shall be subject to the satisfaction of each of the following conditions:

(a) on or prior to the Closing Date, the Seller shall have delivered to the Issuer a duly executed Bill of Sale identifying the Securitization Property to be conveyed on the Closing Date;

(b) on or prior to the Closing Date, the Seller shall have obtained the Financing Order creating the Securitization Property;

(c) as of the Closing Date, the Seller is not insolvent and will not have been made insolvent by such sale and the Seller is not aware of any pending insolvency with respect to itself;

(d) (i) as of the Closing Date, the representations and warranties of the Seller set forth in this Sale Agreement shall be true and correct with the same force and effect as if made on the Closing Date (except to the extent that they relate to an earlier date), (ii) on and as of the Closing Date, no breach of any covenant or agreement of the Seller contained in this Sale Agreement has occurred and is continuing, and (iii) on and as of the Closing Date, no Servicer Default shall have occurred and be continuing;

(e) as of the Closing Date, (i) the Issuer shall have sufficient funds available to pay the purchase price for the Securitization Property to be conveyed on such date and (ii) all conditions to the issuance of the Securitization Bonds intended to provide such funds set forth in the Indenture shall have been satisfied or waived;

(f) on or prior to the Closing Date, the Seller shall have taken all action required to transfer to the Issuer ownership of the Securitization Property to be conveyed on such date, free and clear of all Liens other than Liens created by the Issuer pursuant to the Basic Documents and to perfect such transfer, including filing any statements or filings under the Statute or the UCC, and the Issuer or the Servicer, on behalf of the Issuer, shall have taken any action required for the Issuer to grant the Indenture Trustee a first priority perfected security interest in the Securitization Bond Collateral and maintain such security interest as of such date;

(g) the Seller shall have delivered to the Rating Agencies and the Issuer any Opinions of Counsel required by the Rating Agencies;

(h) the Seller shall have received and delivered to the Issuer and the Indenture Trustee an opinion or opinions of outside tax counsel (as selected by the Seller, and in form and substance reasonably satisfactory to the Issuer and the Underwriters) to the effect that, for U.S. federal income tax purposes, (i) the Issuer will not be treated as a taxable entity separate and apart from its sole owner, (ii) the Securitization Bonds will be treated as debt of the Issuer's sole owner and (iii) the Seller will not be treated as recognizing gross income upon the issuance of the Securitization Bonds;

(i) on and as of the Closing Date, each of the Certificate of Formation, the LLC Agreement, the Servicing Agreement, this Sale Agreement, the Indenture, the Financing Order and the Statute shall be in full force and effect;

(j) the Securitization Bonds shall have received any rating or ratings required by the Financing Order;

(k) the Seller shall have delivered to the Indenture Trustee and the Issuer an Officer's Certificate confirming the satisfaction of each condition precedent specified in this Section 2.02; and

(l) the Seller shall have received the purchase price for the Securitization Property.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF SELLER

Subject to Section 3.09, the Seller makes the following representations and warranties, as of the Closing Date, and the Seller acknowledges that the Issuer has relied thereon in acquiring the Securitization Property. The representations and warranties shall survive the sale, assignment and transfer of Securitization Property to the Issuer and the pledge thereof to the Indenture Trustee pursuant to the Indenture. The Seller agrees that (i) the Issuer may assign the right to enforce the following representations and warranties to the Indenture Trustee and (ii) the following representations and warranties inure to the benefit of the Issuer and the Indenture Trustee.

SECTION 3.01. Organization and Good Standing. The Seller is a corporation duly organized and validly existing and is in good standing under the laws of the State of Michigan, with the requisite corporate power and authority to own its properties as such properties are currently owned and to conduct its business as such business is now conducted by it, and has the requisite corporate power and authority to obtain the Financing Order and own the rights and interests under the Financing Order and to sell and assign those rights and interests to the Issuer, whereupon such rights and interests shall become "securitization property" as defined in the Statute.

SECTION 3.02. Due Qualification. The Seller is duly qualified to do business and is in good standing, and has obtained all necessary licenses and approvals, in all jurisdictions in which the ownership or lease of property or the conduct of its business shall require such qualifications, licenses or approvals (except where the failure to so qualify or obtain such licenses and approvals would not be reasonably likely to have a material adverse effect on the Seller's business, operations, assets, revenues or properties, the Securitization Property, the Issuer or the Securitization Bonds).

SECTION 3.03. Power and Authority. The Seller has the requisite corporate power and authority to execute and deliver this Sale Agreement and to carry out its terms. The execution, delivery and performance of obligations under this Sale Agreement have been duly authorized by all necessary corporate action on the part of the Seller under its organizational documents and laws.

SECTION 3.04. Binding Obligation. This Sale Agreement constitutes a legal, valid and binding obligation of the Seller enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and other laws relating to or affecting creditors' or secured parties' rights generally from time to time in effect and to general principles of equity (including concepts of materiality, reasonableness, good faith and fair dealing), regardless of whether considered in a proceeding in equity or at law.

SECTION 3.05. No Violation. The consummation of the transactions contemplated by this Sale Agreement and the fulfillment of the terms hereof do not: (a) conflict with or result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time) a default under, the Seller's organizational documents or any indenture or other material agreement or instrument to which the Seller is a party or by which it or any of its properties is bound; (b) result in the creation or imposition of any Lien upon any of the Seller's properties pursuant to the terms of any such indenture, agreement or other instrument (other than any Lien that may be granted in the Issuer's favor or any Lien created in favor of the Indenture Trustee for the benefit of the Holders pursuant to the Statute or any other Lien that may be granted under the Basic Documents or that may be created pursuant to the Statute); or (c) violate any existing law or any existing order, rule or regulation applicable to the Seller issued by any Governmental Authority having jurisdiction over the Seller or its properties.

SECTION 3.06. No Proceedings. There are no proceedings pending, and, to the Seller's knowledge, there are no proceedings threatened, and, to the Seller's knowledge, there are no investigations pending or threatened, in each case, before any Governmental Authority having jurisdiction over the Seller or its properties involving or relating to the Seller or the Issuer or, to the Seller's knowledge, any other Person: (a) asserting the invalidity of the Statute, the Financing Order, this Sale Agreement, any of the other Basic Documents or the Securitization Bonds; (b) seeking to prevent the issuance of the Securitization Bonds or the consummation of any of the transactions contemplated by this Sale Agreement or any of the other Basic Documents; (c) seeking any determination or ruling that could reasonably be expected to materially and adversely affect the performance by the Seller of its obligations under, or the validity or enforceability of, the Statute, the Financing Order, this Sale Agreement, any of the other Basic Documents or the Securitization Bonds; or (d) seeking to adversely affect the U.S. federal income tax or state income or franchise tax classification of the Securitization Bonds as debt.

SECTION 3.07. Approvals. Except for UCC financing statement filings and other filings under the Statute, no approval, authorization, consent, order or other action of, or filing with, any Governmental Authority is required in connection with the execution and delivery by the Seller of this Sale Agreement, the performance by the Seller of the transactions contemplated hereby or the fulfillment by the Seller of the terms hereof, except those that have been obtained or made and those that the Seller, in its capacity as Servicer under the Servicing Agreement, is required to make in the future pursuant to the Servicing Agreement. The Seller has provided the Commission with a copy of each registration statement, prospectus or other closing document filed with the SEC as part of the transactions contemplated hereby immediately following the filing of the original document.

SECTION 3.08. The Securitization Property.

(a) Information. Subject to Section 3.08(f) and Section 3.08(h), at the Closing Date, all written information, as amended or supplemented from time to time, provided by the Seller to the Issuer with respect to the Securitization Property (including the Expected Amortization Schedule and the Financing Order) is true and correct in all material respects.

(b) Title. It is the intention of the parties hereto that (other than for U.S. federal income tax purposes and, to the extent consistent with applicable state tax law, state income and franchise tax purposes) the sale, assignment and transfer of the Securitization Property herein contemplated constitutes a sale and absolute transfer of the Securitization Property from the Seller to the Issuer and that no interest in, or right or title to, the Securitization Property shall be part of the Seller's estate in the event of the filing of a bankruptcy petition by or against the Seller under any bankruptcy law. No portion of the Securitization Property has been sold, transferred, assigned, pledged or otherwise conveyed by the Seller to any Person other than the Issuer, and, to the Seller's knowledge (after due inquiry), no security agreement, financing statement or equivalent security or lien instrument listing the Seller as debtor covering all or any part of the Securitization Property is on file or of record in any jurisdiction, except such as may have been filed, recorded or made in favor of the Issuer or the Indenture Trustee in connection with the Basic Documents. The Seller has not authorized the filing of and is not aware (after due inquiry) of any financing statement against it that includes a description of collateral including the Securitization Property other than any financing statement filed, recorded or made in favor of the Issuer or the Indenture Trustee in connection with the Basic Documents. The Seller is not aware (after due inquiry) of any judgment or tax lien filings against either the Seller or the Issuer.

(c) Transfer Filings. On the Closing Date, immediately upon the sale hereunder, the Securitization Property shall be validly transferred and sold to the Issuer, the Issuer shall own all the Securitization Property free and clear of all Liens (except for the Lien created in favor of the Indenture Trustee granted under the Indenture and perfected pursuant to the Statute) and all filings and actions to be made or taken by the Seller (including filings with the Michigan Department of State pursuant to the Statute) necessary in any jurisdiction to give the Issuer a valid ownership interest (subject to any Lien created in favor of the Indenture Trustee for the benefit of the Holders pursuant to the Indenture and perfected pursuant to the Statute) in the Securitization Property have been made or taken. No further action is required to maintain such ownership interest (subject to any Lien created in favor of the Indenture Trustee for the benefit of the Holders pursuant to the Indenture and perfected pursuant to the Statute). All applicable filings have been made to the extent required by applicable law in any jurisdiction to perfect the Back-Up Security Interest granted by the Seller to the Issuer.

(d) Financing Order; Other Approvals. On the Closing Date, under the laws of the State of Michigan and the United States in effect on the Closing Date: (i) the Financing Order pursuant to which the rights and interests of the Seller, including the right to impose, collect and receive the Securitization Charges and the interest in and to the Securitization Property transferred on such date have been created, is Final and is in full force and effect; (ii) as of the issuance of the Securitization Bonds, the Securitization Bonds are entitled to the protections provided by the Statute and, accordingly, the Financing Order and the Securitization Charges are not revocable by the Commission; (iii) as of the Closing Date, revisions to the Seller's electric tariff to implement the Securitization Charges have been filed and is in full force and effect, such revisions are consistent with the terms of the Financing Order, and any electric tariff implemented consistent with the Financing Order is not subject to modification by the Commission except for True-Up Adjustments made in accordance with the Statute; (iv) the process by which the Financing Order creating the Securitization Property was adopted and approved complies with all applicable laws, rules and regulations; (v) the Financing Order is not subject to appeal and is legally enforceable, and the process by which it was issued complied with all applicable laws, rules and regulations; and (vi) no other approval, authorization, consent, order or other action of, or filing with, any Governmental Authority is required in connection with the creation of the Securitization Property transferred on such date, except those that have been obtained or made.

(e) State Action. Under the Statute, the State of Michigan may not take or permit any action that would impair the value of the Securitization Property, reduce or alter, except as allowed in connection with a True-Up Adjustment, or impair the Securitization Charges to be imposed, collected and remitted to the Issuer, until the principal, interest and premium, if any, and any other charges incurred and contracts to be performed, in connection with the Securitization Bonds have been paid and performed in full. Under the contract clauses of the State of Michigan and United States Constitutions, the State of Michigan, including the Commission, could not constitutionally take any action of a legislative character, including the repeal or amendment of the Statute or the Financing Order (including repeal or amendment by voter initiative as defined in the Michigan Constitution or by amendment of the Michigan Constitution), that would substantially impair the value of the Securitization Property or substantially reduce or alter, except as allowed in connection with a True-Up Adjustment, or substantially impair the Securitization Charges to be imposed, collected and remitted to the Issuer, unless this action is a reasonable exercise of the State of Michigan's sovereign powers and of a character reasonable and appropriate to further the public purpose justifying this action and, under the takings clauses of the State of Michigan and United States Constitutions, the State of Michigan, including the Commission, could not repeal or amend the Statute or the Financing Order (including repeal or amendment by voter initiative as defined in the Michigan Constitution or by amendment of the Michigan Constitution) or take any other action in contravention of its pledge described in the first sentence of this Section 3.08(e), without paying just compensation to the Holders, as determined by a court of competent jurisdiction, if this action would constitute a permanent appropriation of a substantial property interest of the Holders in the Securitization Property and deprive the Holders of their reasonable expectations arising from their investment in the Securitization Bonds. However, there is no assurance that, even if a court were to award just compensation, it would be sufficient to pay the full amount of principal of and interest on the Securitization Bonds.

(f) Assumptions. On the Closing Date, based upon the information available to the Seller on such date, the assumptions used in calculating the Securitization Charges are reasonable and are made in good faith. Notwithstanding the foregoing, the Seller makes no representation or warranty, express or implied, that amounts actually collected arising from those Securitization Charges will in fact be sufficient to meet the payment obligations on the Securitization Bonds or that the assumptions used in calculating such Securitization Charges will in fact be realized.

(g) Creation of Securitization Property. Upon the effectiveness of the Financing Order and the transfer of the Securitization Property pursuant to this Sale Agreement: (i) the rights and interests of the Seller under the Financing Order, including the right of the Seller and any Successor to impose, collect and receive the Securitization Charges authorized in the Financing Order, become "securitization property" as defined in the Statute; (ii) the Securitization Property constitutes a present property right vested in the Issuer; (iii) the Securitization Property includes the rights and interests of the Seller in the Financing Order, including the right of the Seller and any Successor to impose, collect and receive Securitization Charges from Customers, including the right to obtain True-Up Adjustments, and all revenue, collections, payments, money and proceeds arising out of rights and interests created under the Financing Order; (iv) the owner of the Securitization Property is legally entitled to bill Securitization Charges for a period not greater than eight years after the date Securitization Charges are first billed and to collect and post payments in respect of the Securitization Charges in the aggregate sufficient to pay the interest on and principal of the Securitization Bonds in accordance with the Indenture, to pay Ongoing Other Qualified Costs and to replenish the Capital Subaccount to the Required Capital Level until the Securitization Bonds are paid in full; and (v) the Securitization Property is not subject to any Lien other than any Lien created in favor of the Indenture Trustee for the benefit of the Holders pursuant to the Indenture and perfected pursuant to the Statute.

(h) Nature of Representations and Warranties. The representations and warranties set forth in this Section 3.08, insofar as they involve conclusions of law, are made not on the basis that the Seller purports to be a legal expert or to be rendering legal advice, but rather to reflect the parties' good faith understanding of the legal basis on which the parties are entering into this Sale Agreement and the other Basic Documents and the basis on which the Holders are purchasing the Securitization Bonds, and to reflect the parties' agreement that, if such understanding turns out to be incorrect or inaccurate, the Seller will be obligated to indemnify the Issuer and its permitted assigns (to the extent required by and in accordance with Section 5.01), and that the Issuer and its permitted assigns will be entitled to enforce any rights and remedies under the Basic Documents on account of such inaccuracy to the same extent as if the Seller had breached any other representations or warranties hereunder.

(i) Prospectus. As of the date hereof, the information describing the Seller under the captions "Review of the Securitization Property" and "Consumers Energy Company—The Depositor, Sponsor, Seller and Initial Servicer" in the Prospectus is true and correct in all material respects.

(j) Solvency. After giving effect to the sale of the Securitization Property hereunder, the Seller:

(i) is solvent and expects to remain solvent;

(ii) is adequately capitalized to conduct its business and affairs considering its size and the nature of its business and intended purpose;

(iii) is not engaged and does not expect to engage in a business for which its remaining property represents unreasonably small capital;

(iv) reasonably believes that it will be able to pay its debts as they come due; and

(v) is able to pay its debts as they mature and does not intend to incur, or believes that it will not incur, indebtedness that it will not be able to repay at its maturity.

(k) No Court Order. There is no order by any court providing for the revocation, alteration, limitation or other impairment of the Statute, the Financing Order, the Securitization Property or the Securitization Charges or any rights arising under any of them or that seeks to enjoin the performance of any obligations under the Financing Order.

(l) Survival of Representations and Warranties The representations and warranties set forth in this Section 3.08 shall survive the execution and delivery of this Sale Agreement and may not be waived by any party hereto except pursuant to a written agreement executed in accordance with Article VI and as to which the Rating Agency Condition has been satisfied.

SECTION 3.09. Limitations on Representations and Warranties. Without prejudice to any of the other rights of the parties, the Seller will not be in breach of any representation or warranty as a result of a change in law by means of any legislative enactment, constitutional amendment or voter initiative (if subsequently authorized). **The Seller makes no representation or warranty, express or implied, that Billed Securitization Charges will be actually collected from Customers and no representation that amounts collected will be sufficient to meet the obligations on the Securitization Bonds.**

ARTICLE IV
COVENANTS OF THE SELLER

SECTION 4.01. Existence. Subject to Section 5.02, so long as any of the Securitization Bonds are Outstanding, the Seller (a) will keep in full force and effect its existence and remain in good standing under the laws of the jurisdiction of its organization, (b) will obtain and maintain its qualification to do business in each jurisdiction where such existence or qualification is or shall be necessary to protect the validity and enforceability of this Sale Agreement, the other Basic Documents to which the Seller is a party and each other instrument or agreement to which the Seller is a party necessary or appropriate to the proper administration of this Sale Agreement and the transactions contemplated hereby or to the extent necessary for the Seller to perform its obligations hereunder or thereunder and (c) will continue to operate its electric distribution system to provide service to its Customers.

SECTION 4.02. No Liens. Except for the conveyances hereunder or any Lien pursuant to the Indenture in favor of the Indenture Trustee for the benefit of the Holders and any Lien that may be granted under the Basic Documents or created under the Statute, the Seller will not sell, pledge, assign or transfer, or grant, create, incur, assume or suffer to exist any Lien on, any of the Securitization Property, or any interest therein, and the Seller shall defend the right, title and interest of the Issuer and the Indenture Trustee, on behalf of the Secured Parties, in, to and under the Securitization Property against all claims of third parties claiming through or under the Seller. Consumers Energy, in its capacity as the Seller, will not at any time assert any Lien against, or with respect to, any of the Securitization Property.

SECTION 4.03. Delivery of Collections. In the event that the Seller receives any Securitization Charge Collections or other payments in respect of the Securitization Charges or the proceeds thereof other than in its capacity as the Servicer, the Seller agrees to pay to the Servicer, on behalf of the Issuer, all payments received by it in respect thereof as soon as practicable after receipt thereof. Prior to such remittance to the Servicer by the Seller, the Seller agrees that such amounts are held by it in trust for the Issuer and the Indenture Trustee.

SECTION 4.04. Notice of Liens. The Seller shall notify the Issuer and the Indenture Trustee promptly after becoming aware of any Lien on any of the Securitization Property, other than the conveyances hereunder and any Lien pursuant to the Basic Documents or any Lien under the Statute created for the benefit of the Issuer or the Holders, including the Lien in favor of the Indenture Trustee for the benefit of the Holders.

SECTION 4.05. Compliance with Law. The Seller hereby agrees to comply with its organizational documents and all laws, treaties, rules, regulations and determinations of any Governmental Authority applicable to it, except to the extent that failure to so comply would not materially adversely affect the Issuer's or the Indenture Trustee's interests in the Securitization Property or under any of the Basic Documents to which the Seller is party or the Seller's performance of its obligations hereunder or under any of the other Basic Documents to which it is party.

SECTION 4.06. Covenants Related to Securitization Bonds and Securitization Property.

(a) So long as any of the Securitization Bonds are Outstanding, the Seller shall treat the Securitization Property as the Issuer's property for all purposes other than financial reporting, state or U.S. federal regulatory or tax purposes, and the Seller shall treat the Securitization Bonds as debt for all purposes and specifically as debt of the Issuer, other than for financial reporting, state or U.S. federal regulatory or tax purposes.

(b) Solely for the purposes of U.S. federal taxes and, to the extent consistent with applicable state, local and other tax law, for purposes of state, local and other taxes, so long as any of the Securitization Bonds are Outstanding, the Seller agrees to treat the Securitization Bonds as indebtedness of the Seller (as the sole owner of the Issuer) secured by the Securitization Bond Collateral unless otherwise required by appropriate taxing authorities.

(c) So long as any of the Securitization Bonds are Outstanding, the Seller shall disclose in its financial statements that the Issuer and not the Seller is the owner of the Securitization Property and that the assets of the Issuer are not available to pay creditors of the Seller or its Affiliates (other than the Issuer).

(d) So long as any of the Securitization Bonds are Outstanding, the Seller shall not own or purchase any Securitization Bonds.

(e) So long as the Securitization Bonds are Outstanding, the Seller shall disclose the effects of all transactions between the Seller and the Issuer in accordance with generally accepted accounting principles.

(f) The Seller agrees that, upon the sale by the Seller of the Securitization Property to the Issuer pursuant to this Sale Agreement, (i) to the fullest extent permitted by law, including applicable Commission Regulations and the Statute, the Issuer shall have all of the rights originally held by the Seller with respect to the Securitization Property, including the right (subject to the terms of the Servicing Agreement) to exercise any and all rights and remedies to collect any amounts payable by any Customer in respect of the Securitization Property, notwithstanding any objection or direction to the contrary by the Seller (and the Seller agrees not to make any such objection or to take any such contrary action) and (ii) any payment by any Customer directly to the Issuer shall discharge such Customer's obligations, if any, in respect of the Securitization Property to the extent of such payment, notwithstanding any objection or direction to the contrary by the Seller.

(g) So long as any of the Securitization Bonds are Outstanding, (i) in all proceedings relating directly or indirectly to the Securitization Property, the Seller shall affirmatively certify and confirm that it has sold all of its rights and interests in and to such property (other than for financial reporting, regulatory or tax purposes), (ii) the Seller shall not make any statement or reference in respect of the Securitization Property that is inconsistent with the ownership interest of the Issuer (other than for financial accounting or tax purposes or as required for state or U.S. federal regulatory purposes), (iii) the Seller shall not take any action in respect of the Securitization Property except solely in its capacity as the Servicer thereof pursuant to the Servicing Agreement or as otherwise contemplated by the Basic Documents, (iv) the Seller shall not sell securitization property, or other similar property, under a separate financing order in connection with the issuance of securitization bonds or similarly authorized types of bonds unless the Rating Agency Condition shall have been satisfied and (v) neither the Seller nor the Issuer shall make any election, file any tax return or take any other action inconsistent with the treatment of the Issuer, for U.S. federal income tax purposes and, to the extent consistent with applicable state tax law, state income and franchise tax purposes, as a disregarded entity that is not separate from the Seller (or, if relevant, from another sole owner of the Issuer).

SECTION 4.07. Title. The Seller shall execute and file such filings, including filings with the Michigan Department of State pursuant to the Statute, and cause to be executed and filed such filings, all in such manner and in such places as may be required by law to fully perfect and maintain the ownership interest of the Issuer, and the Back-Up Security Interest pursuant to Section 2.01, and the first priority security interest of the Indenture Trustee in the Securitization Property, including all filings required under the Statute and the applicable UCC relating to the transfer of the ownership of the rights and interest in the Securitization Property by the Seller to the Issuer or the pledge of the Issuer's interest in the Securitization Property to the Indenture Trustee. The Seller shall deliver or cause to be delivered to the Issuer and the Indenture Trustee file-stamped copies of, or filing receipts for, any document filed as provided above, as soon as available following such filing. The Seller shall institute any action or proceeding necessary to compel performance by the Commission, the State of Michigan or any of their respective agents of any of their obligations or duties under the Statute or the Financing Order, and the Seller agrees to take such legal or administrative actions, including defending against or instituting and pursuing legal actions and appearing or testifying at hearings or similar proceedings, in each case as may be reasonably necessary (a) to seek to protect the Issuer and the Secured Parties from claims, state actions or other actions or proceedings of third parties that, if successfully pursued, would result in a breach of any representation set forth in Article III or any covenant set forth in Article IV and (b) to seek to block or overturn any attempts to cause a repeal of, modification of or supplement to the Statute or the Financing Order or the rights of Holders by legislative enactment or constitutional amendment that would be materially adverse to the Issuer or the Secured Parties or that would otherwise cause an impairment of the rights of the Issuer or the Secured Parties. The costs of any such actions or proceedings will be payable by the Seller. The Seller's obligations pursuant to this Section 4.07 shall survive and continue notwithstanding the fact that the payment of Operating Expenses pursuant to Section 8.02(e) of the Indenture may be delayed (it being understood that the Seller may be required to advance its own funds to satisfy its obligations hereunder).

SECTION 4.08. Nonpetition Covenants. Notwithstanding any prior termination of this Sale Agreement or the Indenture, the Seller shall not, prior to the date that is one year and one day after the termination of the Indenture and payment in full of the Securitization Bonds or any other amounts owed under the Indenture, petition or otherwise invoke or cause the Issuer to invoke the process of any Governmental Authority for the purpose of commencing or sustaining an involuntary case against the Issuer under any U.S. federal or state bankruptcy, insolvency or similar law, appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of the Issuer or any substantial part of the property of the Issuer, or ordering the winding up or liquidation of the affairs of the Issuer.

SECTION 4.09. Taxes. So long as any of the Securitization Bonds are Outstanding, the Seller shall, and shall cause each of its subsidiaries to, pay all taxes, assessments and governmental charges imposed upon it or any of its properties or assets or with respect to any of its franchises, business, income or property before any penalty accrues thereon if the failure to pay any such taxes, assessments and governmental charges would, after any applicable grace periods, notices or other similar requirements, result in a Lien on the Securitization Property; provided, that no such tax need be paid if the Seller or one of its Affiliates is contesting the same in good faith by appropriate proceedings promptly instituted and diligently conducted and if the Seller or such Affiliate has established appropriate reserves as shall be required in conformity with generally accepted accounting principles.

SECTION 4.10. Notice of Breach to Rating Agencies, Etc. Promptly after obtaining knowledge thereof, in the event of a breach in any material respect (without regard to any materiality qualifier contained in such representation, warranty or covenant) of any of the Seller's representations, warranties or covenants contained herein, the Seller shall promptly notify the Issuer, the Indenture Trustee and the Rating Agencies of such breach. For the avoidance of doubt, any breach that would adversely affect scheduled payments on the Securitization Bonds will be deemed to be a material breach for purposes of this Section 4.10.

SECTION 4.11. Use of Proceeds. The Seller shall use the proceeds of the sale of the Securitization Property in accordance with the Financing Order and the Statute.

SECTION 4.12. Further Assurances. Upon the request of the Issuer, the Seller shall execute and deliver such further instruments and do such further acts as may be reasonably necessary to carry out the provisions and purposes of this Sale Agreement.

SECTION 4.13. Intercreditor Agreement. The Seller, the Indenture Trustee and the Issuer shall have entered into the Intercreditor Agreement. The Seller shall not become a party to any (i) trade receivables purchase and sale agreement or similar arrangement under which it sells all or any portion of its accounts receivables owing from Michigan electric distribution customers unless the Indenture Trustee, the Seller and the other parties to such additional arrangement shall have entered into the Intercreditor Agreement in connection therewith, and the terms of the documentation evidencing such trade receivables purchase and sale arrangement or similar arrangement shall expressly exclude Securitization Property (including Securitization Charges) from any receivables or other assets pledged or sold under such arrangement or (ii) sale agreement selling to any other Affiliate property consisting of charges similar to the securitization charges sold pursuant to this Sale Agreement, payable by Customers pursuant to the Statute or any similar law, unless the Seller and the other parties to such arrangement shall have entered into the Intercreditor Agreement in connection with any agreement or similar arrangement described in this Section 4.13.

ARTICLE V
THE SELLER

SECTION 5.01. Liability of Seller; Indemnities.

(a) The Seller shall be liable in accordance herewith only to the extent of the obligations specifically undertaken by the Seller under this Sale Agreement.

(b) The Seller shall indemnify the Issuer and the Indenture Trustee (for the benefit of the Secured Parties) and each of their respective officers, directors, employees, trustees, managers and agents for, and defend and hold harmless each such Person from and against, any and all taxes (other than taxes imposed on Holders as a result of their ownership of a Securitization Bond) that may at any time be imposed on or asserted against any such Person as a result of the sale of the Securitization Property to the Issuer, including any franchise, sales, gross receipts, general corporation, tangible personal property, privilege or license taxes, but excluding any taxes imposed as a result of a failure of such Person to withhold or remit taxes with respect to payments on any Securitization Bond, it being understood that the Holders shall be entitled to enforce their rights against the Seller under this Section 5.01(b) solely through a cause of action brought for their benefit by the Indenture Trustee as set forth in the Indenture.

(c) The Seller shall indemnify the Issuer and the Indenture Trustee (for the benefit of the Secured Parties) and each of their respective officers, directors, employees, trustees, managers and agents for, and defend and hold harmless each such Person from and against, any and all taxes (other than taxes imposed on Holders as a result of their ownership of a Securitization Bond) that may at any time be imposed on or asserted against any such Person as a result of the Issuer's ownership and assignment of the Securitization Property, the issuance and sale by the Issuer of the Securitization Bonds or the other transactions contemplated in the Basic Documents, including any franchise, sales, gross receipts, general corporation, tangible personal property, privilege or license taxes, but excluding any taxes imposed as a result of a failure of such Person to withhold or remit taxes with respect to payments on any Securitization Bond.

(d) The Seller shall indemnify the Issuer, the Indenture Trustee (for the benefit of the Secured Parties) and each of their respective officers, directors, employees, trustees, managers and agents for, and defend and hold harmless each such Person from and against, all Losses that may be imposed on, incurred by or asserted against each such Person, in each such case, as a result of the Seller's breach of any of its representations, warranties or covenants contained in this Sale Agreement.

(e) Indemnification under Section 5.01(b), Section 5.01(c), Section 5.01(d) and Section 5.01(f) shall include reasonable out-of-pocket fees and expenses of investigation and litigation (including reasonable attorneys' fees and expenses), except as otherwise expressly provided in this Sale Agreement.

(f) The Seller shall indemnify the Indenture Trustee (for itself) and each Independent Manager, and any of their respective officers, directors, employees and agents (each, an "Indemnified Person"), for, and defend and hold harmless each such Person from and against, any and all Losses incurred by any of such Indemnified Persons as a result of the Seller's breach of any of its representations and warranties or covenants contained in this Sale Agreement. The Seller shall not be required to indemnify an Indemnified Person for any amount paid or payable by such Indemnified Person in the settlement of any action, proceeding or investigation without the prior written consent of the Seller, which consent shall not be unreasonably withheld. Promptly after receipt by an Indemnified Person of notice of the commencement of any action, proceeding or investigation, such Indemnified Person shall, if a claim in respect thereof is to be made against the Seller under this Section 5.01(f), notify the Seller in writing of the commencement thereof. Failure by an Indemnified Person to so notify the Seller shall relieve the Seller from the obligation to indemnify and hold harmless such Indemnified Person under this Section 5.01(f) only to the extent that the Seller suffers actual prejudice as a result of such failure. With respect to any action, proceeding or investigation brought by a third party for which indemnification may be sought under this Section 5.01(f), the Seller shall be entitled to conduct and control, at its expense and with counsel of its choosing that is reasonably satisfactory to such Indemnified Person, the defense of any such action, proceeding or investigation (in which case the Seller shall not thereafter be responsible for the fees and expenses of any separate counsel retained by the Indemnified Person except as set forth below); provided, that the Indemnified Person shall have the right to participate in such action, proceeding or investigation through counsel chosen by it and at its own expense. Notwithstanding the Seller's election to assume the defense of any action, proceeding or investigation, the Indemnified Person shall have the right to employ separate counsel (including local counsel), and the Seller shall bear the reasonable fees, costs and expenses of such separate counsel if (i) the defendants in any such action include both the Indemnified Person and the Seller and the Indemnified Person shall have reasonably concluded that there may be legal defenses available to it that are different from or additional to those available to the Seller, (ii) the Seller shall not have employed counsel reasonably satisfactory to the Indemnified Person to represent the Indemnified Person within a reasonable time after notice of the institution of such action, (iii) the Seller shall authorize the Indemnified Person to employ separate counsel at the expense of the Seller or (iv) in the case of the Indenture Trustee, such action exposes the Indenture Trustee to a material risk of criminal liability or forfeiture or a Servicer Default has occurred and is continuing. Notwithstanding the foregoing, the Seller shall not be obligated to pay for the fees, costs and expenses of more than one separate counsel for the Indemnified Persons other than one local counsel, if appropriate.

(g) The Seller shall indemnify the Servicer (if the Servicer is not the Seller) for the costs of any action instituted by the Servicer pursuant to Section 5.02(d) of the Servicing Agreement that are not paid as Operating Expenses in accordance with the priorities set forth in Section 8.02(e) of the Indenture.

(h) The remedies provided in this Sale Agreement are the sole and exclusive remedies against the Seller for breach of its representations and warranties in this Sale Agreement.

(i) Indemnification under this Section 5.01 shall survive any repeal of, modification of, or supplement to, or judicial invalidation of, the Statute or the Financing Order and shall survive the resignation or removal of the Indenture Trustee or the termination of this Sale Agreement and will rank in priority with other general, unsecured obligations of the Seller. The Seller shall not indemnify any party under this Section 5.01 for any changes in law after the Closing Date, whether such changes in law are effected by means of any legislative enactment, any constitutional amendment or any final and non-appealable judicial decision.

SECTION 5.02. Merger, Conversion or Consolidation of, or Assumption of the Obligations of, Seller. Any Person (a) into which the Seller may be merged, converted or consolidated, (b) that may result from any merger, conversion or consolidation to which the Seller shall be a party, (c) that may succeed to the electric distribution properties and assets of the Seller substantially as a whole, (d) that results from the division of the Seller into two or more Persons or (e) that otherwise succeeds to all or substantially all of the electric distribution assets of the Seller (a "Permitted Successor"), and which Person in any of the foregoing cases executes an agreement of assumption to perform all of the obligations of the Seller hereunder (including the Seller's obligations under Section 5.01 incurred at any time prior to or after the date of such assumption), shall be the successor to the Seller under this Sale Agreement without further act on the part of any of the parties to this Sale Agreement; provided, however, that (i) immediately after giving effect to such transaction, no representation, warranty or covenant made pursuant to Article III or Article IV shall be breached and, if the Seller is the Servicer, no Servicer Default, and no event that, after notice or lapse of time, or both, would become a Servicer Default, shall have occurred and be continuing, (ii) the Seller shall have delivered to the Issuer and the Indenture Trustee an Officer's Certificate and an Opinion of Counsel from external counsel stating that such consolidation, conversion, merger, division or succession and such agreement of assumption comply with this Section 5.02 and that all conditions precedent, if any, provided for in this Sale Agreement relating to such transaction have been complied with, (iii) the Seller shall have delivered to the Issuer, the Indenture Trustee and each Rating Agency an Opinion of Counsel from external counsel of the Seller either (A) stating that, in the opinion of such counsel, all filings to be made by the Seller and the Issuer, including any filings with the Commission pursuant to the Statute and the UCC, have been authorized, executed and filed that are necessary to fully maintain the respective interest of the Issuer and the Indenture Trustee in all of the Securitization Property and reciting the details of such filings, or (B) stating that, in the opinion of such counsel, no such action shall be necessary to maintain such interests, (iv) the Seller shall have delivered to the Issuer, the Indenture Trustee and the Rating Agencies an Opinion of Counsel from external tax counsel stating that, for U.S. federal income tax purposes, such consolidation, conversion, merger, division or succession and such agreement of assumption will not result in a material adverse U.S. federal income tax consequence to the Issuer or the Holders of Securitization Bonds and (v) the Seller shall have given the Rating Agencies prior written notice of such transaction. When any Person (or more than one Person) acquires the properties and assets of the Seller substantially as a whole or otherwise becomes the successor, whether by merger, conversion, consolidation, division, sale, transfer, lease, management contract or otherwise, to all or substantially all of the assets of the Seller in accordance with the terms of this Section 5.02, then, upon satisfaction of all of the other conditions of this Section 5.02, the preceding Seller shall automatically and without further notice be released from all of its obligations hereunder.

SECTION 5.03. Limitation on Liability of Seller and Others. The Seller and any director, officer, employee or agent of the Seller may rely in good faith on the advice of counsel or on any document of any kind, prima facie properly executed and submitted by any Person, respecting any matters arising hereunder. Subject to Section 4.07, the Seller shall not be under any obligation to appear in, prosecute or defend any legal action that is not incidental to its obligations under this Sale Agreement and that in its opinion may involve it in any expense or liability.

ARTICLE VI
MISCELLANEOUS PROVISIONS

SECTION 6.01. Amendment. This Sale Agreement may be amended from time to time by a written amendment duly executed and delivered by each of the Issuer and the Seller, with ten Business Days' prior written notice given to the Rating Agencies, but without the consent of any of the Holders, (a) to cure any ambiguity in, to correct or supplement, or to add, change or eliminate, any provisions in this Sale Agreement; provided, however, that the Issuer and the Indenture Trustee shall receive an Officer's Certificate stating that such amendment shall not adversely affect in any material respect the interests of any Holder and that all conditions precedent to such amendment have been satisfied, or (b) to conform the provisions hereof to the description of this Sale Agreement in the Prospectus.

In addition, this Sale Agreement may be amended in writing by the Seller and the Issuer with (i) the prior written consent of the Indenture Trustee, (ii) the satisfaction of the Rating Agency Condition and (iii) if any amendment would adversely affect in any material respect the interest of any Holder of the Securitization Bonds, the consent of a majority of the Holders of each affected Tranche of Securitization Bonds. In determining whether a majority of Holders have consented, Securitization Bonds owned by the Issuer or any Affiliate of the Issuer (including the Seller) shall be disregarded, except that, in determining whether the Indenture Trustee shall be protected in relying upon any such consent, the Indenture Trustee shall only be required to disregard any Securitization Bonds it actually knows to be so owned. Promptly after the execution of any such amendment or consent, the Issuer shall furnish copies of such amendment or consent to each of the Rating Agencies.

Prior to the execution of any amendment to this Sale Agreement, the Issuer and the Indenture Trustee shall be entitled to receive and rely upon (i) an Opinion of Counsel of external counsel of the Seller stating that the execution of such amendment is authorized and permitted by this Sale Agreement and that all conditions precedent provided for in this Sale Agreement relating to such amendment have been complied with and (ii) the Opinion of Counsel referred to in Section 3.01(c)(i) of the Servicing Agreement. The Issuer and the Indenture Trustee may, but shall not be obligated to, enter into any such amendment that affects the Indenture Trustee's own rights, duties or immunities under this Sale Agreement or otherwise.

SECTION 6.02. Notices. Any notice, report or other communication given hereunder shall be in writing and shall be effective (i) upon receipt when sent through the mails, registered or certified mail, return receipt requested, postage prepaid, with such receipt to be effective the date of delivery indicated on the return receipt, (ii) upon receipt when sent by an overnight courier, (iii) on the date personally delivered to an authorized officer of the party to which sent or (iv) on the date transmitted by facsimile or other electronic transmission with a confirmation of receipt in all cases, addressed as follows:

(a) in the case of the Seller, to Consumers Energy Company, One Energy Plaza, Jackson, Michigan 49201; Telephone: (517) 788-6749; Email: Todd.Wehner@cmsenergy.com;

(b) in the case of the Issuer, to Consumers 2023 Securitization Funding LLC, One Energy Plaza, Jackson, Michigan 49201; Telephone: (517) 788-6749; Email: Todd.Wehner@cmsenergy.com;

(c) in the case of the Indenture Trustee, to the Corporate Trust Office;

(d) in the case of Moody's, to Moody's Investors Service, Inc., ABS/RMBS Monitoring Department, 25th Floor, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, Email: servicerreports@moodys.com (for servicer reports and other reports) or abscormonitoring@moodys.com (for all other notices) (all such notices to be delivered to Moody's in writing by email); and

(e) in the case of S&P, to S&P Global Ratings, a division of S&P Global Inc., Structured Credit Surveillance, 55 Water Street, New York, New York 10041, Telephone: (212) 438-8991, Email: servicer_reports@spglobal.com (all such notices to be delivered to S&P in writing by email).

Each Person listed above may, by notice given in accordance herewith to the other Person or Persons listed above, designate any further or different address to which subsequent notices, reports and other communications shall be sent.

SECTION 6.03. Assignment. Notwithstanding anything to the contrary contained herein, except as provided in Section 5.02, this Sale Agreement may not be assigned by the Seller.

SECTION 6.04. Limitations on Rights of Third Parties. The provisions of this Sale Agreement are solely for the benefit of the Seller, the Issuer, the Indenture Trustee (for the benefit of the Secured Parties) and the other Persons expressly referred to herein, and such Persons shall have the right to enforce the relevant provisions of this Sale Agreement. Nothing in this Sale Agreement, whether express or implied, shall be construed to give to any other Person any legal or equitable right, remedy or claim in the Securitization Property or under or in respect of this Sale Agreement or any covenants, conditions or provisions contained herein.

SECTION 6.05. Severability. Any provision of this Sale Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remainder of such provision (if any) or the remaining provisions hereof (unless such construction shall be unreasonable), and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 6.06. Separate Counterparts. This Sale Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

SECTION 6.07. Governing Law. **This Sale Agreement shall be construed in accordance with the laws of the State of Michigan, without reference to its conflict of law provisions, and the obligations, rights and remedies of the parties hereunder shall be determined in accordance with such laws.**

SECTION 6.08. Assignment to Indenture Trustee. The Seller hereby acknowledges and consents to any mortgage, pledge, assignment and grant of a security interest by the Issuer to the Indenture Trustee pursuant to the Indenture for the benefit of the Secured Parties of all right, title and interest of the Issuer in, to and under this Sale Agreement, the Securitization Property and the proceeds thereof and the assignment of any or all of the Issuer's rights hereunder to the Indenture Trustee for the benefit of the Secured Parties. For the avoidance of doubt, the Indenture Trustee is a third party beneficiary of this Sale Agreement and is entitled to the rights and benefits hereunder and may enforce the provisions hereof as if it were a party hereto.

SECTION 6.09. Limitation of Liability. It is expressly understood and agreed by the parties hereto that this Sale Agreement is executed and delivered by the Indenture Trustee, not individually or personally but solely as Indenture Trustee on behalf of the Secured Parties, in the exercise of the powers and authority conferred and vested in it. The Indenture Trustee in acting hereunder is entitled to all rights, benefits, protections, immunities and indemnities accorded to it under the Indenture.

SECTION 6.10. Waivers. Any term or provision of this Sale Agreement may be waived, or the time for its performance may be extended, by the party or parties entitled to the benefit thereof; provided, however, that no such waiver delivered by the Issuer shall be effective unless the Indenture Trustee has given its prior written consent thereto. Any such waiver shall be validly and sufficiently authorized for the purposes of this Sale Agreement if, as to any party, it is authorized in writing by an authorized representative of such party, with prompt written notice of any such waiver to be provided to the Rating Agencies. The failure of any party hereto to enforce at any time any provision of this Sale Agreement shall not be construed to be a waiver of such provision, nor in any way to affect the validity of this Sale Agreement or any part hereof or the right of any party thereafter to enforce each and every such provision. No waiver of any breach of this Sale Agreement shall be held to constitute a waiver of any other or subsequent breach.

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IN WITNESS WHEREOF, the parties hereto have caused this Sale Agreement to be duly executed by their respective officers as of the day and year first above written.

CONSUMERS 2023 SECURITIZATION FUNDING LLC,
as Issuer

By: _____
Name: Todd Wehner
Title: Assistant Treasurer

CONSUMERS ENERGY COMPANY,
as Seller

By: _____
Name: Todd Wehner
Title: Assistant Treasurer

ACKNOWLEDGED AND ACCEPTED:

THE BANK OF NEW YORK MELLON,
as Indenture Trustee

By: _____
Name:
Title:

EXHIBIT A

FORM OF BILL OF SALE

See attached.

BILL OF SALE

This Bill of Sale is being delivered pursuant to the Securitization Property Purchase and Sale Agreement, dated as of December 12, 2023 (the "Sale Agreement"), by and between Consumers Energy Company (the "Seller") and Consumers 2023 Securitization Funding LLC (the "Issuer"). All capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Sale Agreement.

In consideration of the Issuer's delivery to or upon the order of the Seller of $638,670,349, the Seller does hereby irrevocably sell, transfer, assign, set over and otherwise convey to the Issuer, without recourse or warranty, except as set forth in the Sale Agreement, all right, title and interest of the Seller in and to the Securitization Property created or arising under the Financing Order dated December 17, 2020 issued by the Michigan Public Service Commission under the Statute (such sale, transfer, assignment, setting over and conveyance of the Securitization Property includes, to the fullest extent permitted by the Statute, the property, rights and interests of Consumers Energy under the Financing Order, including the right to impose, collect and receive Securitization Charges, the right to obtain True-Up Adjustments and all revenue, collections, payments, moneys and proceeds arising out of the rights and interests created under the Financing Order. Such sale, transfer, assignment, setting over and conveyance is hereby expressly stated to be a sale or other absolute transfer and, pursuant to Section 10*l*(1) of the Statute, shall be treated as a true sale and not as a secured transaction. The Seller and the Issuer agree that after giving effect to the sale, transfer, assignment, setting over and conveyance contemplated hereby the Seller has no right, title or interest in or to the Securitization Property to which a security interest could attach because (i) it has sold, transferred, assigned, set over and conveyed all right, title and interest in and to the Securitization Property to the Issuer, (ii) as provided in Section 10*l*(1) of the Statute, legal and equitable title shall have passed to the Issuer and (iii) as provided in Section 10m(3) of the Statute, appropriate financing statements have been filed and such transfer is perfected against all third parties, including subsequent judicial or other lien creditors. If such sale, transfer, assignment, setting over and conveyance is held by any court of competent jurisdiction not to be a true sale as provided in Section 10*l*(1) of the Statute, then such sale, transfer, assignment, setting over and conveyance shall be treated as a pledge of the Securitization Property and as the creation of a security interest (within the meaning of the Statute and the UCC) in the Securitization Property and, without prejudice to its position that it has absolutely transferred all of its rights in the Securitization Property to the Issuer, the Seller hereby grants a security interest in the Securitization Property to the Issuer (and to the Indenture Trustee for the benefit of the Secured Parties) to secure their respective rights under the Basic Documents to receive the Securitization Charges and all other Securitization Property.

The Issuer does hereby purchase the Securitization Property from the Seller for the consideration set forth in the preceding paragraph.

Each of the Seller and the Issuer acknowledges and agrees that the purchase price for the Securitization Property sold pursuant to this Bill of Sale and the Sale Agreement is equal to its fair market value at the time of sale.

The Seller confirms that (i) each of the representations and warranties on the part of the Seller contained in the Sale Agreement are true and correct in all respects on the date hereof as if made on the date hereof and (ii) each condition precedent that must be satisfied under Section 2.02 of the Sale Agreement has been satisfied upon or prior to the execution and delivery of this Bill of Sale by the Seller.

This Bill of Sale may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

This Bill of Sale shall be construed in accordance with the laws of the State of Michigan, without reference to its conflict of law provisions, and the obligations, rights and remedies of the parties hereunder shall be determined in accordance with such law.

IN WITNESS WHEREOF, the Seller and the Issuer have duly executed this Bill of Sale as of this 12th day of December, 2023.

CONSUMERS 2023 SECURITIZATION FUNDING LLC,
as Issuer

By: _____
Name: Todd Wehner
Title: Assistant Treasurer

CONSUMERS ENERGY COMPANY,
as Seller

By: _____
Name: Todd Wehner
Title: Assistant Treasurer

APPENDIX A

DEFINITIONS AND RULES OF CONSTRUCTION

A. Defined Terms. The following terms have the following meanings:

"17g-5 Website" is defined in Section 10.18 of the Indenture.

"Account Bank" means The Bank of New York Mellon, a New York banking corporation, solely in the capacity of a "bank" as defined in the NY UCC or any successor account bank under the Indenture.

"Account Records" is defined in Section 1(a)(i) of the Administration Agreement.

"Act" is defined in Section 10.03(a) of the Indenture.

"Additional Interim True-Up Adjustment" means any Interim True-Up Adjustment made pursuant to Section 4.01(b)(iii) of the Servicing Agreement.

"Administration Agreement" means the Administration Agreement, dated as of the Closing Date, by and between Consumers Energy and the Issuer.

"Administration Fee" is defined in Section 2 of the Administration Agreement.

"Administrator" means Consumers Energy, as Administrator under the Administration Agreement, or any successor Administrator to the extent permitted under the Administration Agreement.

"Affiliate" means, with respect to any specified Person, any other Person controlling or controlled by or under common control with such specified Person. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such specified Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Affiliate Wheeling" means a Person's use of direct access service where an electric utility delivers electricity generated at a Person's industrial site to that Person or that Person's affiliate at a location, or general aggregated locations, within the State of Michigan that was either one of the following: (a) for at least 90 days during the period from January 1, 1996 to October 1, 1999, supplied by Self-Service Power, but only to the extent of the capacity reserved or load served by Self-Service Power during the period; or (b) capable of being supplied by a Person's cogeneration capacity within the State of Michigan that has had since January 1, 1996 a rated capacity of 15 megawatts or less, was placed in service before December 31, 1975 and has been in continuous service since that date. The term affiliate for purposes of this definition means a Person that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with another specified entity, where control means, whether through an ownership, beneficial, contractual or equitable interest, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person or the ownership of at least 7% of an entity either directly or indirectly.

"Amendatory Schedule" means a revision to service riders or any other notice filing filed with the Commission in respect of the Securitization Rate Schedule pursuant to a True-Up Adjustment.

"Annual Accountant's Report" is defined in Section 3.04(a) of the Servicing Agreement.

"Annual True-Up Adjustment" means each adjustment to the Securitization Charges made pursuant to the terms of the Financing Order in accordance with Section 4.01(b)(i) of the Servicing Agreement.

"Annual True-Up Adjustment Date" means the first billing cycle of January of each year, commencing in January 2025.

"Authorized Denomination" is defined in Section 4 of the Series Supplement.

"Authorized Officers" is defined in Section 10.04 of the Indenture.

"Back-Up Security Interest" is defined in Section 2.01(a) of the Sale Agreement.

"Bankruptcy Code" means Title 11 of the United States Code (11 U.S.C. §§ 101 et seq.).

"Basic Documents" means the Indenture, the Administration Agreement, the Sale Agreement, the Bill of Sale, the Certificate of Formation, the LLC Agreement, the Servicing Agreement, the Series Supplement, the Intercreditor Agreement, the Letter of Representations, the Underwriting Agreement and all other documents and certificates delivered in connection therewith.

"Bill of Sale" means a bill of sale substantially in the form of Exhibit A to the Sale Agreement delivered pursuant to Section 2.02(a) of the Sale Agreement.

"Billed Securitization Charges" means the amounts of Securitization Charges billed by the Servicer.

"Billing Period" means the period created by dividing the calendar year into 12 consecutive periods of approximately 21 Servicer Business Days.

"Bills" means each of the regular monthly bills, summary bills, opening bills and closing bills issued to Customers by Consumers Energy in its capacity as Servicer.

"Book-Entry Form" means, with respect to any Securitization Bond, that the ownership and transfers of such Securitization Bond shall be made through book entries by a Clearing Agency as described in Section 2.11 of the Indenture and in the Series Supplement.

"Book-Entry Securitization Bonds" means any Securitization Bonds issued in Book-Entry Form; provided, however, that, after the occurrence of a condition whereupon book-entry registration and transfer are no longer permitted and Definitive Securitization Bonds are to be issued to the Holder of such Securitization Bonds, such Securitization Bonds shall no longer be "Book-Entry Securitization Bonds".

"Business Day" means any day other than a Saturday, a Sunday or a day on which banking institutions in Detroit, Michigan, Jackson, Michigan, or New York, New York are, or DTC or the Corporate Trust Office is, authorized or obligated by law, regulation or executive order to be closed.

"Calculation Period" means, with respect to any True-Up Adjustment, the period comprised of the 12 consecutive Collection Periods beginning with the Collection Period in which such True-Up Adjustment would go into effect; provided, that, in the case of any True-Up Adjustment that would go into effect after the date that is 12 months prior to the Scheduled Final Payment Date of a Tranche of Securitization Bonds with respect to which such True-Up Adjustment is being made, the Calculation Period shall begin on the date the True-Up Adjustment would go into effect and end on the Payment Date following such True-Up Adjustment date; provided, further, that, for the purpose of calculating the first Periodic Payment Requirement as of the Closing Date, "Calculation Period" means, initially, the period commencing on the Closing Date and ending on the last day of the billing cycle of December 2024.

"Capital Subaccount" is defined in Section 8.02(a) of the Indenture.

"Capital Subaccount Investment Earnings" shall mean, for any Payment Date with respect to any Calculation Period, the sum of (a) an amount equal to investment earnings since the previous Payment Date (or, in the case of the first Payment Date, since the Closing Date) on the initial amount deposited by Consumers Energy in the Capital Subaccount plus (b) any such amounts not paid on any prior Payment Date.

"Certificate of Compliance" means the certificate referred to in Section 3.03 of the Servicing Agreement and substantially in the form of Exhibit E to the Servicing Agreement.

"Certificate of Formation" means the Certificate of Formation filed with the Secretary of State of the State of Delaware on August 16, 2023 pursuant to which the Issuer was formed.

"Claim" means a "claim" as defined in Section 101(5) of the Bankruptcy Code.

"Clearing Agency" means an organization registered as a "clearing agency" pursuant to Section 17A of the Exchange Act.

"Clearing Agency Participant" means a securities broker, dealer, bank, trust company, clearing corporation or other financial institution or other Person for whom from time to time a Clearing Agency effects book entry transfers and pledges of securities deposited with such Clearing Agency.

"Closing Date" means December 12, 2023, the date on which the Securitization Bonds are originally issued in accordance with Section 2.10 of the Indenture and the Series Supplement.

"Code" means the Internal Revenue Code of 1986.

"Collection Account" is defined in Section 8.02(a) of the Indenture.

"Collection in Full of the Securitization Charges" means the day on which the aggregate amounts on deposit in the General Subaccount and the Excess Funds Subaccount are sufficient to pay in full all the Outstanding Securitization Bonds and to replenish any shortfall in the Capital Subaccount.

"Collection Period" means any period commencing on the first Servicer Business Day of any Billing Period and ending on the last Servicer Business Day of such Billing Period.

"Commission" means the Michigan Public Service Commission.

"Commission Regulations" means all regulations, rules, tariffs and laws (including any temporary regulations or rules) applicable to public utilities or Securitization Bonds, as the case may be, and promulgated by, enforced by or otherwise within the jurisdiction of the Commission.

"Company Minutes" is defined in Section 1(a)(iv) of the Administration Agreement.

"Consumers Energy" means Consumers Energy Company, a Michigan corporation.

"Corporate Trust Office" means the office of the Indenture Trustee at which, at any particular time, the Indenture shall be administered, which office as of the Closing Date is located at 240 Greenwich Street, Floor 7, New York, New York 10286, Attention: Consumers 2023 Securitization Funding LLC, Series 2023A, Telephone: (212) 815-2484, Email:Jacqueline.Kuhn@bnymellon.com, or at such other address as the Indenture Trustee may designate from time to time by notice to the Holders of Securitization Bonds and the Issuer, or the principal corporate trust office of any successor trustee designated by like notice.

"Covenant Defeasance Option" is defined in Section 4.01(b) of the Indenture.

"Customers" means all existing and future retail electric distribution customers of Consumers Energy or its successors, including all existing and future retail electric customers who are obligated to pay Securitization Charges pursuant to the Financing Order, except that "Customers" shall exclude (i) customers taking retail open access service from Consumers Energy as of December 17, 2020 to the extent that those retail open access customers remain, without transition to bundled service, on Consumers Energy's retail choice program, (ii) customers to the extent they obtain or use Self-Service Power and (iii) customers to the extent engaged in Affiliate Wheeling.

"Daily Remittance" is defined in Section 6.11(a) of the Servicing Agreement.

"Default" means any occurrence that is, or with notice or the lapse of time or both would become, an Event of Default.

"Definitive Securitization Bonds" is defined in Section 2.11 of the Indenture.

"Depositor" means Consumers Energy, in its capacity as depositor of the Securitization Bonds.

"DTC" means The Depository Trust Company.

"Electronic Means" means the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Indenture Trustee, or another method or system specified by the Indenture Trustee as available for use in connection with its services under the Indenture.

"Eligible Account" means a segregated non-interest-bearing trust account with an Eligible Institution.

"Eligible Institution" means:

(a) the corporate trust department of the Indenture Trustee, so long as any of the securities of the Indenture Trustee (i) has either a short-term credit rating from Moody's of at least "P-1" or a long-term unsecured debt rating from Moody's of at least "A2" and (ii) has a credit rating from S&P of at least "A"; or

(b) a depository institution organized under the laws of the United States of America or any State (or any domestic branch of a foreign bank) (i) that has either (A) a long-term issuer rating of "AA-" or higher by S&P and "A2" or higher by Moody's or (B) a short-term issuer rating of "A-1" or higher by S&P and "P-1" or higher by Moody's, and (ii) whose deposits are insured by the Federal Deposit Insurance Corporation.

If so qualified under clause (b) of this definition, the Indenture Trustee may be considered an Eligible Institution for the purposes of clause (a) of this definition.

"Eligible Investments" means instruments or investment property that evidence:

(a) direct obligations of, or obligations fully and unconditionally guaranteed as to timely payment by, the United States of America;

(b) demand or time deposits of, unsecured certificates of deposit of, money market deposit accounts of, or bankers' acceptances issued by, any depository institution (including the Indenture Trustee, acting in its commercial capacity) incorporated or organized under the laws of the United States of America or any State thereof and subject to supervision and examination by U.S. federal or state banking authorities, so long as the commercial paper or other short-term debt obligations of such depository institution are, at the time of deposit or contractual commitment, rated at least "A-1" and "P-1" or their equivalents by each of S&P and Moody's or such lower rating as will not result in the downgrading or withdrawal of the ratings of the Securitization Bonds;

(c) commercial paper (including commercial paper of the Indenture Trustee, acting in its commercial capacity, and other than commercial paper of Consumers Energy or any of its Affiliates), which at the time of purchase is rated at least "A-1" and "P-1" or their equivalents by each of S&P and Moody's or such lower rating as will not result in the downgrading or withdrawal of the ratings of the Securitization Bonds;

(d) investments in money market funds having a rating in the highest investment category granted thereby (including funds for which the Indenture Trustee or any of its Affiliates is investment manager or advisor) from Moody's and S&P;

(e) repurchase obligations with respect to any security that is a direct obligation of, or fully guaranteed by, the United States of America or its agencies or instrumentalities, entered into with Eligible Institutions;

(f) repurchase obligations with respect to any security or whole loan entered into with an Eligible Institution or with a registered broker/dealer acting as principal and that meets the ratings criteria set forth below:

(i) a broker/dealer (acting as principal) registered as a broker or dealer under Section 15 of the Exchange Act (any such broker/dealer being referred to in this definition as a "broker/dealer"), the unsecured short-term debt obligations of which are rated at least "P-1" by Moody's and "A-1+" by S&P at the time of entering into such repurchase obligation; or

(ii) an unrated broker/dealer, acting as principal, that is a wholly-owned subsidiary of a non-bank or bank holding company the unsecured short-term debt obligations of which are rated at least "P-1" by Moody's and "A-1+" by S&P at the time of purchase so long as the obligations of such unrated broker/dealer are unconditionally guaranteed by such non-bank or bank holding company; or

(g) any other investment permitted by each of the Rating Agencies,

in each case maturing not later than the Business Day preceding the next Payment Date or Special Payment Date, if applicable (for the avoidance of doubt, investments in money market funds or similar instruments that are redeemable on demand shall be deemed to satisfy the foregoing requirement). Notwithstanding the foregoing: (1) no securities or investments that mature in 30 days or more shall be "Eligible Investments" unless the issuer thereof has either a short-term unsecured debt rating of at least "P-1" from Moody's or a long-term unsecured debt rating of at least "A1" from Moody's; (2) no securities or investments described in clauses (b) through (d) above that have maturities of more than 30 days but less than or equal to 3 months shall be "Eligible Investments" unless the issuer thereof has a long-term unsecured debt rating of at least "A1" from Moody's and a short-term unsecured debt rating of at least "P-1" from Moody's; (3) no securities or investments described in clauses (b) through (d) above that have maturities of more than 3 months shall be "Eligible Investments" unless the issuer thereof has a long-term unsecured debt rating of at least "A1" from Moody's and a short-term unsecured debt rating of at least "P-1" from Moody's; (4) no securities or investments described in clauses (b) through (d) above that have a maturity of 60 days or less shall be "Eligible Investments" unless such securities have a rating from S&P of at least "A-1"; and (5) no securities or investments described in clauses (b) through (d) above that have a maturity of more than 60 days shall be "Eligible Investments" unless such securities have a rating from S&P of at least "AA-", "A-1+" or "AAAm".

"Event of Default" is defined in Section 5.01 of the Indenture.

"Excess Funds Subaccount" is defined in Section 8.02(a) of the Indenture.

"Exchange Act" means the Securities Exchange Act of 1934.

"Expected Amortization Schedule" means, with respect to any Tranche, the expected amortization schedule related thereto set forth in the Series Supplement.

"Federal Book-Entry Regulations" means 31 C.F.R. Part 357 et seq. (Department of Treasury).

"Federal Funds Rate" means, for any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published for such day (or, if such day is not a Business Day, for the preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for such day on such transactions received by the Servicer from three federal funds brokers of recognized standing selected by it.

"Final" means, with respect to the Financing Order, that the Financing Order has become final, that the Financing Order is not being appealed and that the time for filing an appeal thereof has expired.

"Final Maturity Date" means, with respect to each Tranche of Securitization Bonds, the final maturity date therefor as specified in the Series Supplement.

"Financing Order" means the financing order issued under the Statute by the Commission to Consumers Energy on December 17, 2020, Case No. U-20889, authorizing the creation of the Securitization Property. Consumers Energy unconditionally accepted all conditions and limitations requested by such order in a letter dated January 7, 2021 from Consumers Energy to the Commission.

"General Subaccount" is defined in Section 8.02(a) of the Indenture.

"Global Securitization Bond" means a Securitization Bond to be issued to the Holders thereof in Book-Entry Form, which Global Securitization Bond shall be issued to the Clearing Agency, or its nominee, in accordance with Section 2.11 of the Indenture and the Series Supplement.

"Governmental Authority" means any nation or government, any U.S. federal, state, local or other political subdivision thereof and any court, administrative agency or other instrumentality or entity exercising executive, legislative, judicial, regulatory or administrative functions of government.

"Grant" means mortgage, pledge, bargain, sell, warrant, alienate, remise, release, convey, grant, transfer, create, grant a lien upon, a security interest in and right of set-off against, deposit, set over and confirm pursuant to the Indenture and the Series Supplement. A Grant of the Securitization Bond Collateral or of any other agreement or instrument included therein shall include all rights, powers and options (but none of the obligations) of the granting party thereunder, including the immediate and continuing right to claim for, collect, receive and give receipt for payments in respect of the Securitization Bond Collateral and all other moneys payable thereunder, to give and receive notices and other communications, to make waivers or other agreements, to exercise all rights and options, to bring Proceedings in the name of the granting party or otherwise and generally to do and receive anything that the granting party is or may be entitled to do or receive thereunder or with respect thereto.

"Hague Securities Convention" means the Convention on the Law Applicable to Certain Rights in Respect of Securities Held with an Intermediary, ratified September 28, 2016, S. Treaty Doc. No. 112-6 (2012).

"Holder" means the Person in whose name a Securitization Bond is registered on the Securitization Bond Register.

"Indemnified Losses" is defined in Section 5.03 of the Servicing Agreement.

"Indemnified Party" is defined in Section 6.02(a) of the Servicing Agreement.

"Indemnified Person" is defined in Section 5.01(f) of the Sale Agreement.

"Indemnitee" is defined in Section 6.07 of the Indenture.

"Indenture" means the Indenture, dated as of the Closing Date, by and between the Issuer and The Bank of New York Mellon, a New York banking corporation, as Indenture Trustee, as Securities Intermediary and as Account Bank.

"Indenture Trustee" means The Bank of New York Mellon, a New York banking corporation, as indenture trustee for the benefit of the Secured Parties, or any successor indenture trustee for the benefit of the Secured Parties, under the Indenture.

"Indenture Trustee Cap" is defined in Section 8.02(e)(i) of the Indenture.

"Independent" means, when used with respect to any specified Person, that such specified Person (a) is in fact independent of the Issuer, any other obligor on the Securitization Bonds, the Seller, the Servicer and any Affiliate of any of the foregoing Persons, (b) does not have any direct financial interest or any material indirect financial interest in the Issuer, any such other obligor, the Seller, the Servicer or any Affiliate of any of the foregoing Persons and (c) is not connected with the Issuer, any such other obligor, the Seller, the Servicer or any Affiliate of any of the foregoing Persons as an officer, employee, promoter, underwriter, trustee, partner, director (other than as an independent director or manager) or Person performing similar functions.

"Independent Certificate" means a certificate to be delivered to the Indenture Trustee under the circumstances described in, and otherwise complying with, the applicable requirements of Section 10.01 of the Indenture, made by an Independent appraiser or other expert appointed by an Issuer Order and consented to by the Indenture Trustee, and such certificate shall state that the signer has read the definition of "Independent" in the Indenture and that the signer is Independent within the meaning thereof.

"Independent Manager" is defined in Section 4.01(a) of the LLC Agreement.

"Insolvency Event" means, with respect to a specified Person: (a) the filing of a decree or order for relief by a court having jurisdiction in the premises in respect of such specified Person or any substantial part of its property in an involuntary case under any applicable U.S. federal or state bankruptcy, insolvency or other similar law in effect as of the Closing Date or thereafter, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for such specified Person or for any substantial part of its property, or ordering the winding-up or liquidation of such specified Person's affairs, and such decree or order shall remain unstayed and in effect for a period of 60 consecutive days; or (b) the commencement by such specified Person of a voluntary case under any applicable U.S. federal or state bankruptcy, insolvency or other similar law in effect as of the Closing Date or thereafter, or the consent by such specified Person to the entry of an order for relief in an involuntary case under any such law, or the consent by such specified Person to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for such specified Person or for any substantial part of its property, or the making by such specified Person of any general assignment for the benefit of creditors, or the failure by such specified Person generally to pay its debts as such debts become due, or the taking of action by such specified Person in furtherance of any of the foregoing.

"Instructions" is defined in Section 10.04 of the Indenture.

"Intercreditor Agreement" means that certain Intercreditor Agreement, dated as of the Closing Date, by and among the Issuer, the Indenture Trustee, Consumers Energy, Consumers 2014 Securitization Funding LLC and the trustee for the securitization bonds issued by Consumers 2014 Securitization Funding LLC, and any subsequent such agreement.

"Interim True-Up Adjustment" means either a Semi-Annual Interim True-Up Adjustment made in accordance with Section 4.01(b)(ii) of the Servicing Agreement or an Additional Interim True-Up Adjustment made in accordance with Section 4.01(b)(iii) of the Servicing Agreement.

"Investment Company Act" means the Investment Company Act of 1940.

"Investment Earnings" means investment earnings on funds deposited in the Collection Account net of losses and investment expenses.

"Issuer" means Consumers 2023 Securitization Funding LLC, a Delaware limited liability company, named as such in the Indenture until a successor replaces it and, thereafter, means the successor and, for purposes of any provision contained herein and required by the Trust Indenture Act, each other obligor on the Securitization Bonds.

"Issuer Documents" is defined in Section 1(a)(iv) of the Administration Agreement.

"Issuer Order" means a written order signed in the name of the Issuer by any one of its Responsible Officers and delivered to the Indenture Trustee or Paying Agent, as applicable.

"Issuer Request" means a written request signed in the name of the Issuer by any one of its Responsible Officers and delivered to the Indenture Trustee or Paying Agent, as applicable.

"Legal Defeasance Option" is defined in Section 4.01(b) of the Indenture.

"Letter of Representations" means any applicable agreement between the Issuer and the applicable Clearing Agency, with respect to such Clearing Agency's rights and obligations (in its capacity as a Clearing Agency) with respect to any Book-Entry Securitization Bonds.

"Lien" means a security interest, lien, mortgage, charge, pledge, claim or encumbrance of any kind.

"LLC Agreement" means the Amended and Restated Limited Liability Company Agreement of Consumers 2023 Securitization Funding LLC, dated as of the Closing Date.

"Losses" means (a) any and all amounts of principal of and interest on the Securitization Bonds not paid when due or when scheduled to be paid in accordance with their terms and the amounts of any deposits by or to the Issuer required to have been made in accordance with the terms of the Basic Documents or the Financing Order that are not made when so required and (b) any and all other liabilities, obligations, losses, claims, damages, payments, costs or expenses of any kind whatsoever.

"Manager" means each manager of the Issuer under the LLC Agreement.

"Member" has the meaning specified in the preamble of the LLC Agreement.

"Michigan UCC" means the Uniform Commercial Code as in effect on the Closing Date in the State of Michigan.

"Monthly Servicer's Certificate" is defined in Section 3.01(b)(i) of the Servicing Agreement.

"Moody's" means Moody's Investors Service, Inc. References to Moody's are effective so long as Moody's is a Rating Agency.

"NY UCC" means the Uniform Commercial Code as in effect on the Closing Date in the State of New York.

"Officer's Certificate" means a certificate signed by a Responsible Officer of the Issuer under the circumstances described in, and otherwise complying with, the applicable requirements of Section 10.01 of the Indenture, and delivered to the Indenture Trustee.

"Ongoing Other Qualified Costs" means the Qualified Costs described as such in the Financing Order, including Operating Expenses and any other costs identified in the Basic Documents; provided, however, that Ongoing Other Qualified Costs do not include the Issuer's costs of issuance of the Securitization Bonds and Consumers Energy's costs of retiring existing debt and equity securities.

"Operating Expenses" means all unreimbursed fees, costs and out-of-pocket expenses of the Issuer (other than interest on the Securitization Bonds), including all amounts owed by the Issuer to the Indenture Trustee (including indemnities, legal fees and expenses and audit fees and expenses) or any Manager, the Servicing Fee, any other amounts owed to the Servicer pursuant to the Servicing Agreement, the Administration Fee, any other amounts owed to the Administrator pursuant to the Administration Agreement, legal and accounting fees, Rating Agency fees and any franchise or other taxes owed by the Issuer.

"Opinion of Counsel" means one or more written opinions of counsel, who may, except as otherwise expressly provided in the Basic Documents, be employees of or counsel to the party providing such opinion of counsel, which counsel shall be reasonably acceptable to the party receiving such opinion of counsel, and shall be in form and substance reasonably acceptable to such party. Any Opinion of Counsel may be based, insofar as it relates to factual matters (including financial and capital markets matters), upon a certificate or opinion of, or representations by, an officer or officers of the Servicer or the Issuer and other documents necessary and advisable in the judgment of counsel delivering such opinion.

"Outstanding" means, as of the date of determination, all Securitization Bonds theretofore authenticated and delivered under the Indenture, except:

(a) Securitization Bonds theretofore canceled by the Securitization Bond Registrar or delivered to the Securitization Bond Registrar for cancellation;

(b) Securitization Bonds or portions thereof the payment for which money in the necessary amount has been theretofore deposited with the Indenture Trustee or any Paying Agent in trust for the Holders of such Securitization Bonds; and

(c) Securitization Bonds in exchange for or in lieu of other Securitization Bonds that have been issued pursuant to the Indenture unless proof satisfactory to the Indenture Trustee is presented that any such Securitization Bonds are held by a Protected Purchaser;

provided, that, in determining whether the Holders of the requisite Outstanding Amount of the Securitization Bonds or any Tranche thereof have given any request, demand, authorization, direction, notice, consent or waiver under any Basic Document, Securitization Bonds owned by the Issuer, any other obligor upon the Securitization Bonds, the Member, the Seller, the Servicer or any Affiliate of any of the foregoing Persons shall be disregarded and deemed not to be Outstanding (unless one or more such Persons owns 100% of such Securitization Bonds), except that, in determining whether the Indenture Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Securitization Bonds that the Indenture Trustee actually knows to be so owned shall be so disregarded. Securitization Bonds so owned that have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Indenture Trustee the pledgee's right so to act with respect to such Securitization Bonds and that the pledgee is not the Issuer, any other obligor upon the Securitization Bonds, the Member, the Seller, the Servicer or any Affiliate of any of the foregoing Persons.

"Outstanding Amount" means the aggregate principal amount of all Securitization Bonds, or, if the context requires, all Securitization Bonds of a Tranche, Outstanding at the date of determination.

"Paying Agent" means, with respect to the Indenture, the Indenture Trustee and any other Person appointed as a paying agent for the Securitization Bonds pursuant to the Indenture.

"Payment Date" means, with respect to any Tranche of Securitization Bonds, the dates specified in the Series Supplement; provided, that if any such date is not a Business Day, the Payment Date shall be the Business Day succeeding such date.

"Periodic Billing Requirement" means, for any Calculation Period, the aggregate amount of Securitization Charges calculated by the Servicer as necessary to be billed during such period in order to collect the Periodic Payment Requirement on a timely basis.

"Periodic Interest" means, with respect to any Payment Date, the periodic interest for such Payment Date as specified in the Series Supplement.

"Periodic Payment Requirement" for any Calculation Period means the total dollar amount of Securitization Charge Collections reasonably calculated by the Servicer in accordance with Section 4.01 of the Servicing Agreement as necessary to be received during such Calculation Period (after giving effect to the allocation and distribution of amounts on deposit in the Excess Funds Subaccount at the time of calculation and that are projected to be available for payments on the Securitization Bonds at the end of such Calculation Period and including any shortfalls in Periodic Payment Requirements for any prior Calculation Period) in order to ensure that, as of the last Payment Date occurring in such Calculation Period, (a) all accrued and unpaid interest on the Securitization Bonds then due shall have been paid in full on a timely basis, (b) the Outstanding Amount of the Securitization Bonds is equal to the Projected Unpaid Balance on each Payment Date during such Calculation Period, (c) the balance on deposit in the Capital Subaccount equals the Required Capital Level and (d) all other fees and expenses due and owing and required or allowed to be paid under Section 8.02 of the Indenture as of such date shall have been paid in full; provided, that, with respect to any Annual True-Up Adjustment or Interim True-Up Adjustment occurring after the date that is one year prior to the last Scheduled Final Payment Date for the Securitization Bonds, the Periodic Payment Requirements shall be calculated to ensure that sufficient Securitization Charges will be collected to retire the Securitization Bonds in full as of the next Payment Date.

"Periodic Principal" means, with respect to any Payment Date, the excess, if any, of the Outstanding Amount of Securitization Bonds over the outstanding principal balance specified for such Payment Date on the Expected Amortization Schedule.

"Permitted Lien" means the Lien created by the Indenture.

"Permitted Successor" is defined in Section 5.02 of the Sale Agreement.

"Person" means any individual, corporation, limited liability company, estate, partnership, joint venture, association, joint stock company, trust (including any beneficiary thereof), unincorporated organization or Governmental Authority.

"Predecessor Securitization Bond" means, with respect to any particular Securitization Bond, every previous Securitization Bond evidencing all or a portion of the same debt as that evidenced by such particular Securitization Bond, and, for the purpose of this definition, any Securitization Bond authenticated and delivered under Section 2.06 of the Indenture in lieu of a mutilated, lost, destroyed or stolen Securitization Bond shall be deemed to evidence the same debt as the mutilated, lost, destroyed or stolen Securitization Bond.

"Premises" is defined in Section 1(g) of the Administration Agreement.

"Proceeding" means any suit in equity, action at law or other judicial or administrative proceeding.

"Projected Unpaid Balance" means, as of any Payment Date, the sum of the projected outstanding principal balance of each Tranche of Securitization Bonds for such Payment Date set forth in the Expected Amortization Schedule.

"Prospectus" means the prospectus dated December 5, 2023 relating to the Securitization Bonds.

"Protected Purchaser" has the meaning specified in Section 8-303 of the UCC.

"Qualified Costs" means all qualified costs as defined in Section 10h(g) of the Statute allowed to be recovered by Consumers Energy under the Financing Order.

"Rating Agency" means, with respect to any Tranche of Securitization Bonds, any of Moody's or S&P that provides a rating with respect to the Securitization Bonds. If no such organization (or successor) is any longer in existence, "Rating Agency" shall be a nationally recognized statistical rating organization or other comparable Person designated by the Issuer, notice of which designation shall be given to the Indenture Trustee and the Servicer.

"Rating Agency Condition" means, with respect to any action, at least ten Business Days' prior written notification to each Rating Agency of such action, and written confirmation from each of S&P and Moody's to the Indenture Trustee and the Issuer that such action will not result in a suspension, reduction or withdrawal of the then current rating by such Rating Agency of any Tranche of Securitization Bonds; provided, that, if, within such ten Business Day period, any Rating Agency (other than S&P) has neither replied to such notification nor responded in a manner that indicates that such Rating Agency is reviewing and considering the notification, then (a) the Issuer shall be required to confirm that such Rating Agency has received the Rating Agency Condition request and, if it has, promptly request the related Rating Agency Condition confirmation and (b) if the Rating Agency neither replies to such notification nor responds in a manner that indicates it is reviewing and considering the notification within five Business Days following such second request, the applicable Rating Agency Condition requirement shall not be deemed to apply to such Rating Agency. For the purposes of this definition, any confirmation, request, acknowledgment or approval that is required to be in writing may be in the form of electronic mail or a press release (which may contain a general waiver of a Rating Agency's right to review or consent).

"Record Date" means one Business Day prior to the applicable Payment Date.

"Registered Holder" means the Person in whose name a Securitization Bond is registered on the Securitization Bond Register.

"Regulation AB" means the rules of the SEC promulgated under Subpart 229.1100 – Asset Backed Securities (Regulation AB), 17 C.F.R. §§229.1100-229.1125.

"Reimbursable Expenses" is defined in Section 2 of the Administration Agreement.

"Released Parties" is defined in Section 6.02(d) of the Servicing Agreement.

"Required Capital Level" means an amount equal to 0.5% of the initial principal amount of the Securitization Bonds.

"Requirement of Law" means any foreign, U.S. federal, state or local laws, statutes, regulations, rules, codes or ordinances enacted, adopted, issued or promulgated by any Governmental Authority or common law.

"Responsible Officer" means, with respect to: (a) the Issuer, any Manager or any duly authorized officer; (b) the Indenture Trustee, any officer within the Corporate Trust Office of such trustee (including the President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Treasurer, any Trust Officer or any other officer of the Indenture Trustee customarily performing functions similar to those performed by persons who at the time shall be such officers, respectively, and that has direct responsibility for the administration of the Indenture and also, with respect to a particular matter, any other officer to whom such matter is referred to because of such officer's knowledge and familiarity with the particular subject); (c) any corporation (other than the Indenture Trustee), the Chief Executive Officer, the President, any Vice President, the Chief Financial Officer, the Treasurer, any Assistant Treasurer or any other duly authorized officer of such Person who has been authorized to act in the circumstances; (d) any partnership, any general partner thereof; and (e) any other Person (other than an individual), any duly authorized officer or member of such Person, as the context may require, who is authorized to act in matters relating to such Person.

"S&P" means S&P Global Ratings, a division of S&P Global Inc. References to S&P are effective so long as S&P is a Rating Agency.

"Sale Agreement" means the Securitization Property Purchase and Sale Agreement, dated as of the Closing Date, by and between the Issuer and Consumers Energy, and acknowledged and accepted by the Indenture Trustee.

"Scheduled Final Payment Date" means, with respect to each Tranche of Securitization Bonds, the date when all interest and principal is scheduled to be paid with respect to that Tranche in accordance with the Expected Amortization Schedule, as specified in the Series Supplement. For the avoidance of doubt, the Scheduled Final Payment Date with respect to any Tranche shall be the last Scheduled Payment Date set forth in the Expected Amortization Schedule relating to such Tranche. The "last Scheduled Final Payment Date" means the Scheduled Final Payment Date of the latest maturing Tranche of Securitization Bonds.

"Scheduled Payment Date" means, with respect to each Tranche of Securitization Bonds, each Payment Date on which principal for such Tranche is to be paid in accordance with the Expected Amortization Schedule for such Tranche.

"SEC" means the Securities and Exchange Commission.

"Secured Obligations" means the payment of principal of and premium, if any, interest on, and any other amounts owing in respect of, the Securitization Bonds and all fees, expenses, counsel fees and other amounts due and payable to the Indenture Trustee.

"Secured Parties" means the Indenture Trustee, the Holders and any credit enhancer described in the Series Supplement.

"Securities Act" means the Securities Act of 1933.

"Securities Intermediary" means The Bank of New York Mellon, a New York banking corporation, solely in the capacity of a "securities intermediary" as defined in the NY UCC and Federal Book-Entry Regulations or any successor securities intermediary under the Indenture.

"Securitization Bond Collateral" is defined in the preamble of the Indenture.

"Securitization Bond Interest Rate" means, with respect to any Tranche of Securitization Bonds, the rate at which interest accrues on the Securitization Bonds of such Tranche, as specified in the Series Supplement.

"Securitization Bond Register" is defined in Section 2.05 of the Indenture.

"Securitization Bond Registrar" is defined in Section 2.05 of the Indenture.

"Securitization Bonds" means the securitization bonds authorized by the Financing Order and issued pursuant to the Indenture.

"Securitization Charge Collections" means Securitization Charges actually received by the Servicer to be remitted to the Collection Account.

"Securitization Charge Payments" means the payments made by Customers based on the Securitization Charges that are actually received by the Servicer.

"Securitization Charges" means any securitization charges as defined in Section 10h(i) of the Statute that are authorized by the Financing Order.

"Securitization Property" means all securitization property as defined in Section 10h(j) of the Statute created pursuant to the Financing Order and under the Statute, including the right to impose, collect and receive the Securitization Charges in an amount necessary to provide the full recovery of all Qualified Costs, the right under the Financing Order to obtain periodic adjustments of Securitization Charges under Section 10k(3) of the Statute and all revenue, collections, payments, moneys and proceeds arising out of the rights and interests described under Section 10(j) of the Statute. The term "Securitization Property" when used with respect to Consumers Energy means and includes the rights of Consumers Energy that exist prior to the time that such rights are first transferred in connection with the issuance of the Securitization Bonds so as to become Securitization Property in accordance with Section 10j(2) of the Statute and the Financing Order.

"Securitization Property Records" is defined in Section 5.01 of the Servicing Agreement.

"Securitization Rate Class" means one of the separate rate classes to whom Securitization Charges are allocated for ratemaking purposes in accordance with the Financing Order.

"Securitization Rate Schedule" means the Tariff sheets to be filed with the Commission stating the amounts of the Securitization Charges, as such Tariff sheets may be amended or modified from time to time pursuant to a True-Up Adjustment.

"Self-Service Power" means (a) electricity generated and consumed at an industrial site or contiguous industrial site or single commercial establishment or single residence without the use of an electric utility's transmission and distribution system or (b) electricity generated primarily by the use of by-product fuels, including waste water solids, which electricity is consumed as part of a contiguous facility, with the use of an electric utility's transmission and distribution system, but only if the point or points of receipt of the power within the facility are not greater than three miles distant from the point of generation. A site or facility with load existing on the effective date of the Statute that is divided by an inland body of water or by a public highway, road or street but that otherwise meets this definition meets the contiguous requirement of this definition regardless of whether Self-Service Power was being generated on the effective date of the Statute. A commercial or industrial facility or single residence that meets the requirements of clause (a) above or clause (b) above meets this definition whether or not the generation facility is owned by an entity different from the owner of the commercial or industrial site or single residence.

"Seller" is defined in the preamble to the Sale Agreement.

"Semi-Annual Interim True-Up Adjustment" means any Interim True-Up Adjustment made pursuant to Section 4.01(b)(ii) of the Servicing Agreement.

"Semi-Annual Servicer's Certificate" is defined in Section 4.01(c)(ii) of the Servicing Agreement.

"Series Supplement" means the indenture supplemental to the Indenture in the form attached as Exhibit B to the Indenture that authorizes the issuance of the Securitization Bonds.

"Servicer" means Consumers Energy, as Servicer under the Servicing Agreement.

"Servicer Business Day" means any day other than a Saturday, a Sunday or a day on which banking institutions in Detroit, Michigan, Jackson, Michigan or New York, New York are authorized or obligated by law, regulation or executive order to be closed, on which the Servicer maintains normal office hours and conducts business.

"Servicer Default" is defined in Section 7.01 of the Servicing Agreement.

"Servicing Agreement" means the Securitization Property Servicing Agreement, dated as of the Closing Date, by and between the Issuer and Consumers Energy, and acknowledged and accepted by the Indenture Trustee.

"Servicing Fee" is defined in Section 6.06(a) of the Servicing Agreement.

"Special Payment Date" means the date on which, with respect to any Tranche of Securitization Bonds, any payment of principal of or interest (including any interest accruing upon default) on, or any other amount in respect of, the Securitization Bonds of such Tranche that is not actually paid within five days of the Payment Date applicable thereto is to be made by the Indenture Trustee to the Holders.

"Special Record Date" means, with respect to any Special Payment Date, the close of business on the fifteenth day (whether or not a Business Day) preceding such Special Payment Date.

"Sponsor" means Consumers Energy, in its capacity as "sponsor" of the Securitization Bonds within the meaning of Regulation AB.

"State" means any one of the fifty states of the United States of America or the District of Columbia.

"State Pledge" means the pledge of the State of Michigan as set forth in Section 10n(2) of the Statute.

"Statute" means the laws of the State of Michigan adopted in June 2000 enacted as 2000 PA 142.

"Subaccounts" is defined in Section 8.02(a) of the Indenture.

"Successor" means any successor to Consumers Energy under the Statute, whether pursuant to any bankruptcy, reorganization or other insolvency proceeding or pursuant to any merger, acquisition, sale or transfer, by operation of law, as a result of electric utility restructuring or otherwise.

"Successor Servicer" is defined in Section 3.07(e) of the Indenture.

"Tariff" means the most current version on file with the Commission of Sheet No. C-37.10 and Sheet No. D-7.10 of Consumers Energy's Rate Book for Electric Service, M.P.S.C. 14 – Electric, or substantially comparable sheets included in a later complete revision of Consumers Energy's Rate Book for Electric Service approved and on file with the Commission.

"Tax Returns" is defined in Section 1(a)(iii) of the Administration Agreement.

"Temporary Securitization Bonds" means Securitization Bonds executed and, upon the receipt of an Issuer Order, authenticated and delivered by the Indenture Trustee pending the preparation of Definitive Securitization Bonds pursuant to Section 2.04 of the Indenture.

"Termination Notice" is defined in Section 7.01 of the Servicing Agreement.

"Tranche" means any one of the groupings of Securitization Bonds differentiated by payment date schedule, amortization schedule, sinking fund schedule, maturity date or interest rate, as specified in the Series Supplement.

"Treasury" means the U.S. Department of the Treasury.

"True-Up Adjustment" means any Annual True-Up Adjustment or Interim True-Up Adjustment, as the case may be.

"Trust Indenture Act" means the Trust Indenture Act of 1939 as in force on the Closing Date, unless otherwise specifically provided.

"UCC" means the Uniform Commercial Code as in effect in the relevant jurisdiction.

"Underwriters" means the underwriters who purchase Securitization Bonds of any Tranche from the Issuer and sell such Securitization Bonds in a public offering.

"Underwriting Agreement" means the Underwriting Agreement, dated December 5, 2023, by and among Consumers Energy, the representative of the several Underwriters named therein and the Issuer.

"U.S. Government Obligations" means direct obligations (or certificates representing an ownership interest in such obligations) of the United States of America (including any agency or instrumentality thereof) for the payment of which the full faith and credit of the United States of America is pledged and that are not callable at the option of the issuer thereof.

B. Rules of Construction. Unless the context otherwise requires, in each Basic Document to which this Appendix A is attached:

(a) All accounting terms not specifically defined herein shall be construed in accordance with United States generally accepted accounting principles. To the extent that the definitions of accounting terms in any Basic Document are inconsistent with the meanings of such terms under generally accepted accounting principles or regulatory accounting principles, the definitions contained in such Basic Document shall control.

(b) The term "including" means "including without limitation", and other forms of the verb "include" have correlative meanings.

(c) All references to any Person shall include such Person's permitted successors and assigns, and any reference to a Person in a particular capacity excludes such Person in other capacities.

(d) Unless otherwise stated in any of the Basic Documents, in the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and each of the words "to" and "until" means "to but excluding".

(e) The words "hereof", "herein" and "hereunder" and words of similar import when used in any Basic Document shall refer to such Basic Document as a whole and not to any particular provision of such Basic Document. References to Articles, Sections, Appendices and Exhibits in any Basic Document are references to Articles, Sections, Appendices and Exhibits in or to such Basic Document unless otherwise specified in such Basic Document.

(f) The various captions (including the tables of contents) in each Basic Document are provided solely for convenience of reference and shall not affect the meaning or interpretation of any Basic Document.

(g) The definitions contained in this Appendix A apply equally to the singular and plural forms of such terms, and words of the masculine, feminine or neuter gender shall mean and include the correlative words of other genders.

(h) Unless otherwise specified, references to an agreement or other document include references to such agreement or document as from time to time amended, restated, reformed, supplemented or otherwise modified in accordance with the terms thereof (subject to any restrictions on such amendments, restatements, reformations, supplements or modifications set forth in such agreement or document) and include any attachments thereto.

(i) References to any law, rule, regulation or order of a Governmental Authority shall include such law, rule, regulation or order as from time to time in effect, including any amendment, modification, codification, replacement, reenactment or successor thereof or any substitution therefor.

(j) The word "will" shall be construed to have the same meaning and effect as the word "shall".

(k) The word "or" is not exclusive.

(l) All terms defined in the relevant Basic Document to which this Appendix A is attached shall have the defined meanings when used in any certificate or other document made or delivered pursuant thereto unless otherwise defined therein.

(m) A term has the meaning assigned to it.

Exhibit 10.3

ADMINISTRATION AGREEMENT

This ADMINISTRATION AGREEMENT, dated as of December 12, 2023, is entered into by and between CONSUMERS ENERGY COMPANY, as administrator, and CONSUMERS 2023 SECURITIZATION FUNDING LLC, a Delaware limited liability company.

Capitalized terms used but not otherwise defined in this Administration Agreement shall have the respective meanings given to such terms in Appendix A, which is hereby incorporated by reference into this Administration Agreement as if set forth fully in this Administration Agreement. Not all terms defined in Appendix A are used in this Administration Agreement. The rules of construction set forth in Appendix A shall apply to this Administration Agreement and are hereby incorporated by reference into this Administration Agreement as if set forth fully in this Administration Agreement.

W I T N E S S E T H:

WHEREAS, the Issuer is issuing Securitization Bonds pursuant to the Indenture and the Series Supplement;

WHEREAS, the Issuer has entered into certain agreements in connection with the issuance of the Securitization Bonds, including (a) the Indenture, (b) the Servicing Agreement, (c) the Sale Agreement and (d) the other Basic Documents to which the Issuer is a party;

WHEREAS, pursuant to the Basic Documents, the Issuer is required to perform, or cause to be performed, certain duties in connection with the Basic Documents, the Securitization Bonds and the Securitization Bond Collateral pledged to the Indenture Trustee pursuant to the Indenture;

WHEREAS, the Issuer has no employees, other than its officers and managers, and does not intend to hire any employees, and consequently desires to have the Administrator perform certain of the duties of the Issuer referred to above and to provide such additional services consistent with the terms of this Administration Agreement and the other Basic Documents as the Issuer may from time to time request; and

WHEREAS, the Administrator has the capacity to provide the services and the facilities required thereby and is willing to perform such services and provide such facilities for the Issuer on the terms set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Duties of the Administrator; Management Services. The Administrator hereby agrees to provide the following corporate management services to the Issuer and to cause third parties to provide professional services required for or contemplated by such services in accordance with the provisions of this Administration Agreement:

(a) furnish the Issuer with ordinary clerical, bookkeeping and other corporate administrative services necessary and appropriate for the Issuer, including the following services:

(i) maintain at the Premises general accounting records of the Issuer (the "Account Records"), subject to year-end audit (if required by law), in accordance with generally accepted accounting principles, separate and apart from its own accounting records, prepare or cause to be prepared such quarterly and annual financial statements as may be necessary or appropriate and, if required by law, arrange for year-end audits of the Issuer's financial statements by the Issuer's independent accountants;

(ii) prepare and, after execution by the Issuer, file with the SEC and any applicable state agencies documents required to be filed by the Issuer with the SEC and any applicable state agencies, including periodic reports required to be filed under the Exchange Act, and provide the Indenture Trustee with copies of all such filings with the SEC under the Exchange Act;

(iii) prepare for execution by the Issuer and cause to be filed such income, franchise or other tax returns of the Issuer as shall be required to be filed by applicable law (the "Tax Returns") and cause to be paid on behalf of the Issuer from the Issuer's funds any taxes required to be paid by the Issuer under applicable law;

(iv) prepare or cause to be prepared for execution by the Issuer's Managers minutes of the meetings of the Issuer's Managers and such other documents deemed appropriate by the Issuer to maintain the separate limited liability company existence and good standing of the Issuer (the "Company Minutes") or otherwise required under the Basic Documents (together with the Account Records, the Tax Returns, the Company Minutes, the LLC Agreement and the Certificate of Formation, the "Issuer Documents") and any other documents deliverable by the Issuer thereunder or in connection therewith; and

(v) hold and maintain at the Premises (or such other place as shall be required by any of the Basic Documents) executed copies (to the extent applicable) of the Issuer Documents and other documents executed by the Issuer thereunder or in connection therewith;

(b) take such actions on behalf of the Issuer as are necessary or desirable for the Issuer to keep in full effect its existence, rights and franchises as a limited liability company under the laws of the State of Delaware and obtain and maintain its qualification to do business in each jurisdiction in which it becomes necessary to be so qualified;

(c) take such actions on the behalf of the Issuer as are necessary for the issuance and delivery of the Securitization Bonds and for the payment of principal of, and interest on, the Securitization Bonds and Ongoing Other Qualified Costs;

(d) provide for the performance by the Issuer of its obligations under each of the Basic Documents, and prepare, or cause to be prepared, all documents, reports, filings, instruments, notices, certificates and opinions that it shall be the duty of the Issuer to prepare, file or deliver pursuant to the Basic Documents;

(e) to the full extent allowable under applicable law, enforce each of the rights of the Issuer under the Basic Documents, at the direction of the Indenture Trustee;

(f) provide for the defense, at the direction of the Issuer's Managers and in the Issuer's name, of any action, suit or proceeding brought against the Issuer or affecting the Issuer or any of its assets;

(g) provide office space (the "Premises") for the Issuer and such reasonable ancillary services as are necessary to carry out the obligations of the Administrator hereunder, including telecopying, duplicating and word processing services;

(h) undertake such other administrative services as may be appropriate, necessary or requested by the Issuer; and

(i) provide such other services as are incidental to the foregoing or as the Issuer and the Administrator may agree.

In providing the services under this Section 1 and as otherwise provided under this Administration Agreement, the Administrator will not knowingly take any actions on behalf of the Issuer that (i) the Issuer is prohibited from taking under the Basic Documents, or (ii) would cause the Issuer to be in violation of any U.S. federal, state or local law or the LLC Agreement.

In performing its duties hereunder, the Administrator shall use the same degree of care and diligence that the Administrator exercises with respect to performing such duties for its own account and, if applicable, for others.

2. Compensation. As compensation for the performance of the Administrator's obligations under this Administration Agreement (including the compensation of Persons serving as Manager(s), other than the Independent Manager(s), and officers of the Issuer, but, for the avoidance of doubt, excluding the performance by Consumers Energy of its obligations in its capacity as Servicer), the Administrator shall be entitled to $50,000 annually (the "Administration Fee"), payable by the Issuer in installments of $25,000 on each Payment Date. In addition, the Administrator shall be entitled to be reimbursed by the Issuer for all costs and expenses of services performed by unaffiliated third parties and actually incurred by the Administrator in connection with the performance of its obligations under this Administration Agreement in accordance with Section 3 (but, for the avoidance of doubt, excluding any such costs and expenses incurred by Consumers Energy in its capacity as Servicer), to the extent that such costs and expenses are supported by invoices or other customary documentation and are reasonably allocated to the Issuer ("Reimbursable Expenses").

3. Third Party Services. Any services required for or contemplated by the performance of the above-referenced services by the Administrator to be provided by unaffiliated third parties (including independent accountants' fees and counsel fees) may, if provided for or otherwise contemplated by the Financing Order and if the Issuer deems it necessary or desirable, be arranged by the Issuer or by the Administrator at the direction (which may be general or specific) of the Issuer. Costs and expenses associated with the contracting for such third-party professional services may be paid directly by the Issuer or paid by the Administrator and reimbursed by the Issuer in accordance with Section 2, or otherwise as the Administrator and the Issuer may mutually arrange.

4. Additional Information to be Furnished to the Issuer. The Administrator shall furnish to the Issuer from time to time such additional information regarding the Securitization Bond Collateral as the Issuer shall reasonably request.

5. Independence of the Administrator. For all purposes of this Administration Agreement, the Administrator shall be an independent contractor and shall not be subject to the supervision of the Issuer with respect to the manner in which it accomplishes the performance of its obligations hereunder. Unless expressly authorized by the Issuer, the Administrator shall have no authority, and shall not hold itself out as having the authority, to act for or represent the Issuer in any way and shall not otherwise be deemed an agent of the Issuer. The Administrator shall at all times take all steps necessary and appropriate to maintain its own separateness from the Issuer.

6. No Joint Venture. Nothing contained in this Administration Agreement (a) shall constitute the Administrator and the Issuer as partners or co-members of any partnership, joint venture, association, syndicate, unincorporated business or other separate entity, (b) shall be construed to impose any liability as such on either of them or (c) shall be deemed to confer on either of them any express, implied or apparent authority to incur any obligation or liability on behalf of the other.

7. Other Activities of Administrator. Nothing herein shall prevent the Administrator or any of its shareholders, directors, officers, employees, subsidiaries or other affiliates from engaging in other businesses or, in its sole discretion, from acting in a similar capacity as an administrator for any other Person even though such Person may engage in business activities similar to those of the Issuer.

8. Term of Agreement; Resignation and Removal of Administrator.

(a) This Administration Agreement shall continue in force until the payment in full of the Securitization Bonds and any other amount that may become due and payable under the Indenture, upon which event this Administration Agreement shall automatically terminate.

(b) Subject to Section 8(e) and Section 8(f), the Administrator may resign its duties hereunder by providing the Issuer and the Rating Agencies with at least 60 days' prior written notice.

(c) Subject to Section 8(e) and Section 8(f), the Issuer may remove the Administrator without cause by providing the Administrator and the Rating Agencies with at least 60 days' prior written notice.

(d) Subject to Section 8(e) and Section 8(f), at the sole option of the Issuer, the Administrator may be removed immediately upon written notice of termination from the Issuer to the Administrator and the Rating Agencies if any of the following events shall occur:

(i) the Administrator shall default in the performance of any of its duties under this Administration Agreement and, after notice of such default, shall fail to cure such default within ten days (or, if such default cannot be cured in such time, shall (A) fail to give within ten days such assurance of cure as shall be reasonably satisfactory to the Issuer and (B) fail to cure such default within 30 days thereafter);

(ii) a court of competent jurisdiction shall enter a decree or order for relief, and such decree or order shall not have been vacated within 60 days, in respect of the Administrator in any involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or such court shall appoint a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for the Administrator or any substantial part of its property or order the winding-up or liquidation of its affairs; or

(iii) the Administrator shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, shall consent to the entry of an order for relief in an involuntary case under any such law, shall consent to the appointment of a receiver, liquidator, assignee, trustee, custodian, sequestrator or similar official for the Administrator or any substantial part of its property, shall consent to the taking of possession by any such official of any substantial part of its property, shall make any general assignment for the benefit of creditors or shall fail generally to pay its debts as they become due.

The Administrator agrees that if any of the events specified in Section 8(d)(ii) or Section 8(d)(iii) shall occur, it shall give written notice thereof to the Issuer and the Indenture Trustee as soon as practicable but in any event within seven days after the happening of such event.

(e) No resignation or removal of the Administrator pursuant to this Section 8 shall be effective until a successor Administrator has been appointed by the Issuer, and such successor Administrator has agreed in writing to be bound by the terms of this Administration Agreement in the same manner as the Administrator is bound hereunder.

(f) The appointment of any successor Administrator shall be effective only after satisfaction of the Rating Agency Condition with respect to the proposed appointment.

9. Action upon Termination, Resignation or Removal. Promptly upon the effective date of termination of this Administration Agreement pursuant to Section 8(a), the resignation of the Administrator pursuant to Section 8(b) or the removal of the Administrator pursuant to Section 8(c) or Section 8(d), the Administrator shall be entitled to be paid a pro-rated portion of the annual fee described in Section 2 through the date of termination and all Reimbursable Expenses incurred by it through the date of such termination, resignation or removal. The Administrator shall forthwith upon such termination pursuant to Section 8(a) deliver to the Issuer all property and documents of or relating to the Securitization Bond Collateral then in the custody of the Administrator. In the event of the resignation of the Administrator pursuant to Section 8(b) or the removal of the Administrator pursuant to Section 8(c) or Section 8(d), the Administrator shall cooperate with the Issuer and take all reasonable steps requested to assist the Issuer in making an orderly transfer of the duties of the Administrator.

10. Administrator's Liability. Except as otherwise provided herein, the Administrator assumes no liability other than to render or stand ready to render the services called for herein, and neither the Administrator nor any of its shareholders, directors, officers, employees, subsidiaries or other affiliates shall be responsible for any action of the Issuer or any of the members, managers, officers, employees or affiliates of the Issuer (other than the Administrator itself). The Administrator shall not be liable for nor shall it have any obligation with regard to any of the liabilities, whether direct or indirect, absolute or contingent, of the Issuer or any of the members, managers, officers, employees or affiliates of the Issuer (other than the Administrator itself).

11. Indemnity.

(a) **Subject to the priority of payments set forth in the Indenture, the Issuer shall indemnify the Administrator and its shareholders, directors, officers, employees and affiliates against all losses, claims, damages, penalties, judgments, liabilities and expenses (including all expenses of litigation or preparation therefor whether or not the Administrator is a party thereto) that any of them may pay or incur arising out of or relating to this Administration Agreement and the services called for herein; provided, however, that such indemnity shall not apply to any such loss, claim, damage, penalty, judgment, liability or expense resulting from the Administrator's gross negligence or willful misconduct in the performance of its obligations hereunder.**

(b) **The Administrator shall indemnify the Issuer and its members, managers, officers and employees against all losses, claims, damages, penalties, judgments, liabilities and expenses (including all expenses of litigation or preparation therefor whether or not the Issuer is a party thereto) that any of them may incur as a result of the Administrator's gross negligence or willful misconduct in the performance of its obligations hereunder.**

12. Notices. Any notice, report or other communication given hereunder shall be in writing and shall be effective (i) upon receipt when sent through the mails, registered or certified mail, return receipt requested, postage prepaid, with such receipt to be effective the date of delivery indicated on the return receipt, (ii) upon receipt when sent by an overnight courier, (iii) on the date personally delivered to an authorized officer of the party to which sent or (iv) on the date transmitted by facsimile or other electronic transmission with a confirmation of receipt in all cases, addressed as follows:

(a) if to the Issuer, to Consumers 2023 Securitization Funding LLC, One Energy Plaza, Jackson, Michigan 49201; telephone: (517) 788-6749; email: Todd.Wehner@cmsenergy.com;

(b) if to the Administrator, to Consumers Energy Company, One Energy Plaza, Jackson, Michigan 49201; telephone: (517) 788-6749; email: Todd.Wehner@cmsenergy.com; and

(c) if to the Indenture Trustee, to the Corporate Trust Office.

Each party hereto may, by notice given in accordance herewith to the other party or parties hereto, designate any further or different address to which subsequent notices, reports and other communications shall be sent.

13. Amendments. This Administration Agreement may be amended from time to time by a written amendment duly executed and delivered by each of the Issuer and the Administrator, with ten Business Days' prior written notice given to the Rating Agencies, but without the consent of any of the Holders, (a) to cure any ambiguity in, to correct or supplement, or to add, change or eliminate, any provisions in this Administration Agreement; provided, however, that the Issuer and the Indenture Trustee shall receive an Officer's Certificate stating that such amendment shall not adversely affect in any material respect the interests of any Holder and that all conditions precedent to such amendment have been satisfied, or (b) to conform the provisions hereof to the description of this Administration Agreement in the Prospectus.

In addition, this Administration Agreement may be amended from time to time by a written amendment duly executed and delivered by each of the Issuer and the Administrator, with the prior written consent of the Indenture Trustee and the satisfaction of the Rating Agency Condition; provided, that any such amendment may not adversely affect the interest of any Holder in any material respect without the consent of the Holders of a majority of the outstanding principal amount of the Securitization Bonds. Promptly after the execution of any such amendment or consent, the Issuer shall furnish copies of such amendment or consent to each of the Rating Agencies.

Prior to the execution and delivery of any amendment to this Administration Agreement, the Issuer and the Indenture Trustee shall be entitled to receive and conclusively rely upon an Opinion of Counsel of external counsel stating that such amendment is authorized or permitted by this Administration Agreement and that all conditions precedent to such amendment have been satisfied.

14. Successors and Assigns. This Administration Agreement may not be assigned by the Administrator unless such assignment is previously consented to in writing by the Issuer and the Indenture Trustee and subject to the satisfaction of the Rating Agency Condition in connection therewith. Any assignment with such consent and satisfaction, if accepted by the assignee, shall bind the assignee hereunder in the same manner as the Administrator is bound hereunder. Notwithstanding the foregoing, this Administration Agreement may be assigned by the Administrator without the consent of the Issuer or the Indenture Trustee and without satisfaction of the Rating Agency Condition to a corporation or other organization that is a successor (by merger, reorganization, consolidation or purchase of assets) to the Administrator, including any Permitted Successor; provided, that such successor or organization executes and delivers to the Issuer an agreement in which such corporation or other organization agrees to be bound hereunder by the terms of said assignment in the same manner as the Administrator is bound hereunder. Subject to the foregoing, this Administration Agreement shall bind any successors or assigns of the parties hereto. Upon satisfaction of all of the conditions of this Section 14, the preceding Administrator shall automatically and without further notice be released from all of its obligations hereunder.

15. Governing Law. **This Administration Agreement shall be construed in accordance with the laws of the State of Michigan, without reference to its conflict of law provisions, and the obligations, rights and remedies of the parties hereunder shall be determined in accordance with such laws.**

16. Counterparts. This Administration Agreement may be executed in counterparts, each of which when so executed shall be an original, but all of which together shall constitute but one and the same Administration Agreement.

17. Severability. Any provision of this Administration Agreement that is prohibited or unenforceable in any jurisdiction shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

18. Nonpetition Covenant. Notwithstanding any prior termination of this Administration Agreement, the Administrator covenants that it shall not, prior to the date that is one year and one day after payment in full of the Securitization Bonds, acquiesce, petition or otherwise invoke or cause the Issuer to invoke the process of any court or government authority for the purpose of commencing or sustaining an involuntary case against the Issuer under any U.S. federal or state bankruptcy, insolvency or similar law or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of the Issuer or any substantial part of its property or ordering the winding up or liquidation of the affairs of the Issuer.

19. Assignment to Indenture Trustee. The Administrator hereby acknowledges and consents to any mortgage, pledge, assignment and grant of a security interest by the Issuer to the Indenture Trustee for the benefit of the Secured Parties pursuant to the Indenture of any or all of the Issuer's rights hereunder and the assignment of any or all of the Issuer's rights hereunder to the Indenture Trustee for the benefit of the Secured Parties. For the avoidance of doubt, the Indenture Trustee is a third party beneficiary of this Administration Agreement and is entitled to the rights and benefits hereunder and may enforce the provisions hereof as if it were a party hereto.

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IN WITNESS WHEREOF, the parties have caused this Administration Agreement to be duly executed and delivered as of the day and year first above written.

CONSUMERS 2023 SECURITIZATION FUNDING LLC,
as Issuer

By: _____
Name: Todd Wehner
Title: Assistant Treasurer

CONSUMERS ENERGY COMPANY,
as Administrator

By: _____
Name: Todd Wehner
Title: Assistant Treasurer

APPENDIX A

DEFINITIONS AND RULES OF CONSTRUCTION

A. Defined Terms. The following terms have the following meanings:

"17g-5 Website" is defined in Section 10.18 of the Indenture.

"Account Bank" means The Bank of New York Mellon, a New York banking corporation, solely in the capacity of a "bank" as defined in the NY UCC or any successor account bank under the Indenture.

"Account Records" is defined in Section 1(a)(i) of the Administration Agreement.

"Act" is defined in Section 10.03(a) of the Indenture.

"Additional Interim True-Up Adjustment" means any Interim True-Up Adjustment made pursuant to Section 4.01(b)(iii) of the Servicing Agreement.

"Administration Agreement" means the Administration Agreement, dated as of the Closing Date, by and between Consumers Energy and the Issuer.

"Administration Fee" is defined in Section 2 of the Administration Agreement.

"Administrator" means Consumers Energy, as Administrator under the Administration Agreement, or any successor Administrator to the extent permitted under the Administration Agreement.

"Affiliate" means, with respect to any specified Person, any other Person controlling or controlled by or under common control with such specified Person. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such specified Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Affiliate Wheeling" means a Person's use of direct access service where an electric utility delivers electricity generated at a Person's industrial site to that Person or that Person's affiliate at a location, or general aggregated locations, within the State of Michigan that was either one of the following: (a) for at least 90 days during the period from January 1, 1996 to October 1, 1999, supplied by Self-Service Power, but only to the extent of the capacity reserved or load served by Self-Service Power during the period; or (b) capable of being supplied by a Person's cogeneration capacity within the State of Michigan that has had since January 1, 1996 a rated capacity of 15 megawatts or less, was placed in service before December 31, 1975 and has been in continuous service since that date. The term affiliate for purposes of this definition means a Person that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with another specified entity, where control means, whether through an ownership, beneficial, contractual or equitable interest, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person or the ownership of at least 7% of an entity either directly or indirectly.

"Amendatory Schedule" means a revision to service riders or any other notice filing filed with the Commission in respect of the Securitization Rate Schedule pursuant to a True-Up Adjustment.

"Annual Accountant's Report" is defined in Section 3.04(a) of the Servicing Agreement.

"Annual True-Up Adjustment" means each adjustment to the Securitization Charges made pursuant to the terms of the Financing Order in accordance with Section 4.01(b)(i) of the Servicing Agreement.

"Annual True-Up Adjustment Date" means the first billing cycle of January of each year, commencing in January 2025.

"Authorized Denomination" is defined in Section 4 of the Series Supplement.

"Authorized Officers" is defined in Section 10.04 of the Indenture.

"Back-Up Security Interest" is defined in Section 2.01(a) of the Sale Agreement.

"Bankruptcy Code" means Title 11 of the United States Code (11 U.S.C. §§ 101 et seq.).

"Basic Documents" means the Indenture, the Administration Agreement, the Sale Agreement, the Bill of Sale, the Certificate of Formation, the LLC Agreement, the Servicing Agreement, the Series Supplement, the Intercreditor Agreement, the Letter of Representations, the Underwriting Agreement and all other documents and certificates delivered in connection therewith.

"Bill of Sale" means a bill of sale substantially in the form of Exhibit A to the Sale Agreement delivered pursuant to Section 2.02(a) of the Sale Agreement.

"Billed Securitization Charges" means the amounts of Securitization Charges billed by the Servicer.

"Billing Period" means the period created by dividing the calendar year into 12 consecutive periods of approximately 21 Servicer Business Days.

"Bills" means each of the regular monthly bills, summary bills, opening bills and closing bills issued to Customers by Consumers Energy in its capacity as Servicer.

"Book-Entry Form" means, with respect to any Securitization Bond, that the ownership and transfers of such Securitization Bond shall be made through book entries by a Clearing Agency as described in Section 2.11 of the Indenture and in the Series Supplement.

"Book-Entry Securitization Bonds" means any Securitization Bonds issued in Book-Entry Form; provided, however, that, after the occurrence of a condition whereupon book-entry registration and transfer are no longer permitted and Definitive Securitization Bonds are to be issued to the Holder of such Securitization Bonds, such Securitization Bonds shall no longer be "Book-Entry Securitization Bonds".

"Business Day" means any day other than a Saturday, a Sunday or a day on which banking institutions in Detroit, Michigan, Jackson, Michigan, or New York, New York are, or DTC or the Corporate Trust Office is, authorized or obligated by law, regulation or executive order to be closed.

"Calculation Period" means, with respect to any True-Up Adjustment, the period comprised of the 12 consecutive Collection Periods beginning with the Collection Period in which such True-Up Adjustment would go into effect; provided, that, in the case of any True-Up Adjustment that would go into effect after the date that is 12 months prior to the Scheduled Final Payment Date of a Tranche of Securitization Bonds with respect to which such True-Up Adjustment is being made, the Calculation Period shall begin on the date the True-Up Adjustment would go into effect and end on the Payment Date following such True-Up Adjustment date; provided, further, that, for the purpose of calculating the first Periodic Payment Requirement as of the Closing Date, "Calculation Period" means, initially, the period commencing on the Closing Date and ending on the last day of the billing cycle of December 2024.

"Capital Subaccount" is defined in Section 8.02(a) of the Indenture.

"Capital Subaccount Investment Earnings" shall mean, for any Payment Date with respect to any Calculation Period, the sum of (a) an amount equal to investment earnings since the previous Payment Date (or, in the case of the first Payment Date, since the Closing Date) on the initial amount deposited by Consumers Energy in the Capital Subaccount plus (b) any such amounts not paid on any prior Payment Date.

"Certificate of Compliance" means the certificate referred to in Section 3.03 of the Servicing Agreement and substantially in the form of Exhibit E to the Servicing Agreement.

"Certificate of Formation" means the Certificate of Formation filed with the Secretary of State of the State of Delaware on August 16, 2023 pursuant to which the Issuer was formed.

"Claim" means a "claim" as defined in Section 101(5) of the Bankruptcy Code.

"Clearing Agency" means an organization registered as a "clearing agency" pursuant to Section 17A of the Exchange Act.

"Clearing Agency Participant" means a securities broker, dealer, bank, trust company, clearing corporation or other financial institution or other Person for whom from time to time a Clearing Agency effects book entry transfers and pledges of securities deposited with such Clearing Agency.

"Closing Date" means December 12, 2023, the date on which the Securitization Bonds are originally issued in accordance with Section 2.10 of the Indenture and the Series Supplement.

"Code" means the Internal Revenue Code of 1986.

"Collection Account" is defined in Section 8.02(a) of the Indenture.

"Collection in Full of the Securitization Charges" means the day on which the aggregate amounts on deposit in the General Subaccount and the Excess Funds Subaccount are sufficient to pay in full all the Outstanding Securitization Bonds and to replenish any shortfall in the Capital Subaccount.

"Collection Period" means any period commencing on the first Servicer Business Day of any Billing Period and ending on the last Servicer Business Day of such Billing Period.

"Commission" means the Michigan Public Service Commission.

"Commission Regulations" means all regulations, rules, tariffs and laws (including any temporary regulations or rules) applicable to public utilities or Securitization Bonds, as the case may be, and promulgated by, enforced by or otherwise within the jurisdiction of the Commission.

"Company Minutes" is defined in Section 1(a)(iv) of the Administration Agreement.

"Consumers Energy" means Consumers Energy Company, a Michigan corporation.

"Corporate Trust Office" means the office of the Indenture Trustee at which, at any particular time, the Indenture shall be administered, which office as of the Closing Date is located at 240 Greenwich Street, Floor 7, New York, New York 10286, Attention: Consumers 2023 Securitization Funding LLC, Series 2023A, Telephone: (212) 815-2484, Email:Jacqueline.Kuhn@bnymellon.com, or at such other address as the Indenture Trustee may designate from time to time by notice to the Holders of Securitization Bonds and the Issuer, or the principal corporate trust office of any successor trustee designated by like notice.

"Covenant Defeasance Option" is defined in Section 4.01(b) of the Indenture.

"Customers" means all existing and future retail electric distribution customers of Consumers Energy or its successors, including all existing and future retail electric customers who are obligated to pay Securitization Charges pursuant to the Financing Order, except that "Customers" shall exclude (i) customers taking retail open access service from Consumers Energy as of December 17, 2020 to the extent that those retail open access customers remain, without transition to bundled service, on Consumers Energy's retail choice program, (ii) customers to the extent they obtain or use Self-Service Power and (iii) customers to the extent engaged in Affiliate Wheeling.

"Daily Remittance" is defined in Section 6.11(a) of the Servicing Agreement.

"Default" means any occurrence that is, or with notice or the lapse of time or both would become, an Event of Default.

"Definitive Securitization Bonds" is defined in Section 2.11 of the Indenture.

"Depositor" means Consumers Energy, in its capacity as depositor of the Securitization Bonds.

"DTC" means The Depository Trust Company.

"Electronic Means" means the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Indenture Trustee, or another method or system specified by the Indenture Trustee as available for use in connection with its services under the Indenture.

"Eligible Account" means a segregated non-interest-bearing trust account with an Eligible Institution.

"Eligible Institution" means:

(a) the corporate trust department of the Indenture Trustee, so long as any of the securities of the Indenture Trustee (i) has either a short-term credit rating from Moody's of at least "P-1" or a long-term unsecured debt rating from Moody's of at least "A2" and (ii) has a credit rating from S&P of at least "A"; or

(b) a depository institution organized under the laws of the United States of America or any State (or any domestic branch of a foreign bank) (i) that has either (A) a long-term issuer rating of "AA-" or higher by S&P and "A2" or higher by Moody's or (B) a short-term issuer rating of "A-1" or higher by S&P and "P-1" or higher by Moody's, and (ii) whose deposits are insured by the Federal Deposit Insurance Corporation.

If so qualified under clause (b) of this definition, the Indenture Trustee may be considered an Eligible Institution for the purposes of clause (a) of this definition.

"Eligible Investments" means instruments or investment property that evidence:

(a) direct obligations of, or obligations fully and unconditionally guaranteed as to timely payment by, the United States of America;

(b) demand or time deposits of, unsecured certificates of deposit of, money market deposit accounts of, or bankers' acceptances issued by, any depository institution (including the Indenture Trustee, acting in its commercial capacity) incorporated or organized under the laws of the United States of America or any State thereof and subject to supervision and examination by U.S. federal or state banking authorities, so long as the commercial paper or other short-term debt obligations of such depository institution are, at the time of deposit or contractual commitment, rated at least "A-1" and "P-1" or their equivalents by each of S&P and Moody's or such lower rating as will not result in the downgrading or withdrawal of the ratings of the Securitization Bonds;

(c) commercial paper (including commercial paper of the Indenture Trustee, acting in its commercial capacity, and other than commercial paper of Consumers Energy or any of its Affiliates), which at the time of purchase is rated at least "A-1" and "P-1" or their equivalents by each of S&P and Moody's or such lower rating as will not result in the downgrading or withdrawal of the ratings of the Securitization Bonds;

(d) investments in money market funds having a rating in the highest investment category granted thereby (including funds for which the Indenture Trustee or any of its Affiliates is investment manager or advisor) from Moody's and S&P;

(e) repurchase obligations with respect to any security that is a direct obligation of, or fully guaranteed by, the United States of America or its agencies or instrumentalities, entered into with Eligible Institutions;

(f) repurchase obligations with respect to any security or whole loan entered into with an Eligible Institution or with a registered broker/dealer acting as principal and that meets the ratings criteria set forth below:

(i) a broker/dealer (acting as principal) registered as a broker or dealer under Section 15 of the Exchange Act (any such broker/dealer being referred to in this definition as a "broker/dealer"), the unsecured short-term debt obligations of which are rated at least "P-1" by Moody's and "A-1+" by S&P at the time of entering into such repurchase obligation; or

(ii) an unrated broker/dealer, acting as principal, that is a wholly-owned subsidiary of a non-bank or bank holding company the unsecured short-term debt obligations of which are rated at least "P-1" by Moody's and "A-1+" by S&P at the time of purchase so long as the obligations of such unrated broker/dealer are unconditionally guaranteed by such non-bank or bank holding company; or

(g) any other investment permitted by each of the Rating Agencies,

in each case maturing not later than the Business Day preceding the next Payment Date or Special Payment Date, if applicable (for the avoidance of doubt, investments in money market funds or similar instruments that are redeemable on demand shall be deemed to satisfy the foregoing requirement). Notwithstanding the foregoing: (1) no securities or investments that mature in 30 days or more shall be "Eligible Investments" unless the issuer thereof has either a short-term unsecured debt rating of at least "P-1" from Moody's or a long-term unsecured debt rating of at least "A1" from Moody's; (2) no securities or investments described in clauses (b) through (d) above that have maturities of more than 30 days but less than or equal to 3 months shall be "Eligible Investments" unless the issuer thereof has a long-term unsecured debt rating of at least "A1" from Moody's and a short-term unsecured debt rating of at least "P-1" from Moody's; (3) no securities or investments described in clauses (b) through (d) above that have maturities of more than 3 months shall be "Eligible Investments" unless the issuer thereof has a long-term unsecured debt rating of at least "A1" from Moody's and a short-term unsecured debt rating of at least "P-1" from Moody's; (4) no securities or investments described in clauses (b) through (d) above that have a maturity of 60 days or less shall be "Eligible Investments" unless such securities have a rating from S&P of at least "A-1"; and (5) no securities or investments described in clauses (b) through (d) above that have a maturity of more than 60 days shall be "Eligible Investments" unless such securities have a rating from S&P of at least "AA-", "A-1+" or "AAAm".

"Event of Default" is defined in Section 5.01 of the Indenture.

"Excess Funds Subaccount" is defined in Section 8.02(a) of the Indenture.

"Exchange Act" means the Securities Exchange Act of 1934.

"Expected Amortization Schedule" means, with respect to any Tranche, the expected amortization schedule related thereto set forth in the Series Supplement.

"Federal Book-Entry Regulations" means 31 C.F.R. Part 357 et seq. (Department of Treasury).

"Federal Funds Rate" means, for any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published for such day (or, if such day is not a Business Day, for the preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for such day on such transactions received by the Servicer from three federal funds brokers of recognized standing selected by it.

"Final" means, with respect to the Financing Order, that the Financing Order has become final, that the Financing Order is not being appealed and that the time for filing an appeal thereof has expired.

"Final Maturity Date" means, with respect to each Tranche of Securitization Bonds, the final maturity date therefor as specified in the Series Supplement.

"Financing Order" means the financing order issued under the Statute by the Commission to Consumers Energy on December 17, 2020, Case No. U-20889, authorizing the creation of the Securitization Property. Consumers Energy unconditionally accepted all conditions and limitations requested by such order in a letter dated January 7, 2021 from Consumers Energy to the Commission.

"General Subaccount" is defined in Section 8.02(a) of the Indenture.

"Global Securitization Bond" means a Securitization Bond to be issued to the Holders thereof in Book-Entry Form, which Global Securitization Bond shall be issued to the Clearing Agency, or its nominee, in accordance with Section 2.11 of the Indenture and the Series Supplement.

"Governmental Authority" means any nation or government, any U.S. federal, state, local or other political subdivision thereof and any court, administrative agency or other instrumentality or entity exercising executive, legislative, judicial, regulatory or administrative functions of government.

"Grant" means mortgage, pledge, bargain, sell, warrant, alienate, remise, release, convey, grant, transfer, create, grant a lien upon, a security interest in and right of set-off against, deposit, set over and confirm pursuant to the Indenture and the Series Supplement. A Grant of the Securitization Bond Collateral or of any other agreement or instrument included therein shall include all rights, powers and options (but none of the obligations) of the granting party thereunder, including the immediate and continuing right to claim for, collect, receive and give receipt for payments in respect of the Securitization Bond Collateral and all other moneys payable thereunder, to give and receive notices and other communications, to make waivers or other agreements, to exercise all rights and options, to bring Proceedings in the name of the granting party or otherwise and generally to do and receive anything that the granting party is or may be entitled to do or receive thereunder or with respect thereto.

"Hague Securities Convention" means the Convention on the Law Applicable to Certain Rights in Respect of Securities Held with an Intermediary, ratified September 28, 2016, S. Treaty Doc. No. 112-6 (2012).

"Holder" means the Person in whose name a Securitization Bond is registered on the Securitization Bond Register.

"Indemnified Losses" is defined in Section 5.03 of the Servicing Agreement.

"Indemnified Party" is defined in Section 6.02(a) of the Servicing Agreement.

"Indemnified Person" is defined in Section 5.01(f) of the Sale Agreement.

"Indemnitee" is defined in Section 6.07 of the Indenture.

"Indenture" means the Indenture, dated as of the Closing Date, by and between the Issuer and The Bank of New York Mellon, a New York banking corporation, as Indenture Trustee, as Securities Intermediary and as Account Bank.

"Indenture Trustee" means The Bank of New York Mellon, a New York banking corporation, as indenture trustee for the benefit of the Secured Parties, or any successor indenture trustee for the benefit of the Secured Parties, under the Indenture.

"Indenture Trustee Cap" is defined in Section 8.02(e)(i) of the Indenture.

"Independent" means, when used with respect to any specified Person, that such specified Person (a) is in fact independent of the Issuer, any other obligor on the Securitization Bonds, the Seller, the Servicer and any Affiliate of any of the foregoing Persons, (b) does not have any direct financial interest or any material indirect financial interest in the Issuer, any such other obligor, the Seller, the Servicer or any Affiliate of any of the foregoing Persons and (c) is not connected with the Issuer, any such other obligor, the Seller, the Servicer or any Affiliate of any of the foregoing Persons as an officer, employee, promoter, underwriter, trustee, partner, director (other than as an independent director or manager) or Person performing similar functions.

"Independent Certificate" means a certificate to be delivered to the Indenture Trustee under the circumstances described in, and otherwise complying with, the applicable requirements of Section 10.01 of the Indenture, made by an Independent appraiser or other expert appointed by an Issuer Order and consented to by the Indenture Trustee, and such certificate shall state that the signer has read the definition of "Independent" in the Indenture and that the signer is Independent within the meaning thereof.

"Independent Manager" is defined in Section 4.01(a) of the LLC Agreement.

"Insolvency Event" means, with respect to a specified Person: (a) the filing of a decree or order for relief by a court having jurisdiction in the premises in respect of such specified Person or any substantial part of its property in an involuntary case under any applicable U.S. federal or state bankruptcy, insolvency or other similar law in effect as of the Closing Date or thereafter, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for such specified Person or for any substantial part of its property, or ordering the winding-up or liquidation of such specified Person's affairs, and such decree or order shall remain unstayed and in effect for a period of 60 consecutive days; or (b) the commencement by such specified Person of a voluntary case under any applicable U.S. federal or state bankruptcy, insolvency or other similar law in effect as of the Closing Date or thereafter, or the consent by such specified Person to the entry of an order for relief in an involuntary case under any such law, or the consent by such specified Person to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for such specified Person or for any substantial part of its property, or the making by such specified Person of any general assignment for the benefit of creditors, or the failure by such specified Person generally to pay its debts as such debts become due, or the taking of action by such specified Person in furtherance of any of the foregoing.

"Instructions" is defined in Section 10.04 of the Indenture.

"Intercreditor Agreement" means that certain Intercreditor Agreement, dated as of the Closing Date, by and among the Issuer, the Indenture Trustee, Consumers Energy, Consumers 2014 Securitization Funding LLC and the trustee for the securitization bonds issued by Consumers 2014 Securitization Funding LLC, and any subsequent such agreement.

"Interim True-Up Adjustment" means either a Semi-Annual Interim True-Up Adjustment made in accordance with Section 4.01(b)(ii) of the Servicing Agreement or an Additional Interim True-Up Adjustment made in accordance with Section 4.01(b)(iii) of the Servicing Agreement.

"Investment Company Act" means the Investment Company Act of 1940.

"Investment Earnings" means investment earnings on funds deposited in the Collection Account net of losses and investment expenses.

"Issuer" means Consumers 2023 Securitization Funding LLC, a Delaware limited liability company, named as such in the Indenture until a successor replaces it and, thereafter, means the successor and, for purposes of any provision contained herein and required by the Trust Indenture Act, each other obligor on the Securitization Bonds.

"Issuer Documents" is defined in Section 1(a)(iv) of the Administration Agreement.

"Issuer Order" means a written order signed in the name of the Issuer by any one of its Responsible Officers and delivered to the Indenture Trustee or Paying Agent, as applicable.

"Issuer Request" means a written request signed in the name of the Issuer by any one of its Responsible Officers and delivered to the Indenture Trustee or Paying Agent, as applicable.

"Legal Defeasance Option" is defined in Section 4.01(b) of the Indenture.

"Letter of Representations" means any applicable agreement between the Issuer and the applicable Clearing Agency, with respect to such Clearing Agency's rights and obligations (in its capacity as a Clearing Agency) with respect to any Book-Entry Securitization Bonds.

"Lien" means a security interest, lien, mortgage, charge, pledge, claim or encumbrance of any kind.

"LLC Agreement" means the Amended and Restated Limited Liability Company Agreement of Consumers 2023 Securitization Funding LLC, dated as of the Closing Date.

"Losses" means (a) any and all amounts of principal of and interest on the Securitization Bonds not paid when due or when scheduled to be paid in accordance with their terms and the amounts of any deposits by or to the Issuer required to have been made in accordance with the terms of the Basic Documents or the Financing Order that are not made when so required and (b) any and all other liabilities, obligations, losses, claims, damages, payments, costs or expenses of any kind whatsoever.

"Manager" means each manager of the Issuer under the LLC Agreement.

"Member" has the meaning specified in the preamble of the LLC Agreement.

"Michigan UCC" means the Uniform Commercial Code as in effect on the Closing Date in the State of Michigan.

"Monthly Servicer's Certificate" is defined in Section 3.01(b)(i) of the Servicing Agreement.

"Moody's" means Moody's Investors Service, Inc. References to Moody's are effective so long as Moody's is a Rating Agency.

"NY UCC" means the Uniform Commercial Code as in effect on the Closing Date in the State of New York.

"Officer's Certificate" means a certificate signed by a Responsible Officer of the Issuer under the circumstances described in, and otherwise complying with, the applicable requirements of Section 10.01 of the Indenture, and delivered to the Indenture Trustee.

"Ongoing Other Qualified Costs" means the Qualified Costs described as such in the Financing Order, including Operating Expenses and any other costs identified in the Basic Documents; provided, however, that Ongoing Other Qualified Costs do not include the Issuer's costs of issuance of the Securitization Bonds and Consumers Energy's costs of retiring existing debt and equity securities.

"Operating Expenses" means all unreimbursed fees, costs and out-of-pocket expenses of the Issuer (other than interest on the Securitization Bonds), including all amounts owed by the Issuer to the Indenture Trustee (including indemnities, legal fees and expenses and audit fees and expenses) or any Manager, the Servicing Fee, any other amounts owed to the Servicer pursuant to the Servicing Agreement, the Administration Fee, any other amounts owed to the Administrator pursuant to the Administration Agreement, legal and accounting fees, Rating Agency fees and any franchise or other taxes owed by the Issuer.

"Opinion of Counsel" means one or more written opinions of counsel, who may, except as otherwise expressly provided in the Basic Documents, be employees of or counsel to the party providing such opinion of counsel, which counsel shall be reasonably acceptable to the party receiving such opinion of counsel, and shall be in form and substance reasonably acceptable to such party. Any Opinion of Counsel may be based, insofar as it relates to factual matters (including financial and capital markets matters), upon a certificate or opinion of, or representations by, an officer or officers of the Servicer or the Issuer and other documents necessary and advisable in the judgment of counsel delivering such opinion.

"Outstanding" means, as of the date of determination, all Securitization Bonds theretofore authenticated and delivered under the Indenture, except:

(a) Securitization Bonds theretofore canceled by the Securitization Bond Registrar or delivered to the Securitization Bond Registrar for cancellation;

(b) Securitization Bonds or portions thereof the payment for which money in the necessary amount has been theretofore deposited with the Indenture Trustee or any Paying Agent in trust for the Holders of such Securitization Bonds; and

(c) Securitization Bonds in exchange for or in lieu of other Securitization Bonds that have been issued pursuant to the Indenture unless proof satisfactory to the Indenture Trustee is presented that any such Securitization Bonds are held by a Protected Purchaser;

provided, that, in determining whether the Holders of the requisite Outstanding Amount of the Securitization Bonds or any Tranche thereof have given any request, demand, authorization, direction, notice, consent or waiver under any Basic Document, Securitization Bonds owned by the Issuer, any other obligor upon the Securitization Bonds, the Member, the Seller, the Servicer or any Affiliate of any of the foregoing Persons shall be disregarded and deemed not to be Outstanding (unless one or more such Persons owns 100% of such Securitization Bonds), except that, in determining whether the Indenture Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Securitization Bonds that the Indenture Trustee actually knows to be so owned shall be so disregarded. Securitization Bonds so owned that have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Indenture Trustee the pledgee's right so to act with respect to such Securitization Bonds and that the pledgee is not the Issuer, any other obligor upon the Securitization Bonds, the Member, the Seller, the Servicer or any Affiliate of any of the foregoing Persons.

"Outstanding Amount" means the aggregate principal amount of all Securitization Bonds, or, if the context requires, all Securitization Bonds of a Tranche, Outstanding at the date of determination.

"Paying Agent" means, with respect to the Indenture, the Indenture Trustee and any other Person appointed as a paying agent for the Securitization Bonds pursuant to the Indenture.

"Payment Date" means, with respect to any Tranche of Securitization Bonds, the dates specified in the Series Supplement; provided, that if any such date is not a Business Day, the Payment Date shall be the Business Day succeeding such date.

"Periodic Billing Requirement" means, for any Calculation Period, the aggregate amount of Securitization Charges calculated by the Servicer as necessary to be billed during such period in order to collect the Periodic Payment Requirement on a timely basis.

"Periodic Interest" means, with respect to any Payment Date, the periodic interest for such Payment Date as specified in the Series Supplement.

"Periodic Payment Requirement" for any Calculation Period means the total dollar amount of Securitization Charge Collections reasonably calculated by the Servicer in accordance with Section 4.01 of the Servicing Agreement as necessary to be received during such Calculation Period (after giving effect to the allocation and distribution of amounts on deposit in the Excess Funds Subaccount at the time of calculation and that are projected to be available for payments on the Securitization Bonds at the end of such Calculation Period and including any shortfalls in Periodic Payment Requirements for any prior Calculation Period) in order to ensure that, as of the last Payment Date occurring in such Calculation Period, (a) all accrued and unpaid interest on the Securitization Bonds then due shall have been paid in full on a timely basis, (b) the Outstanding Amount of the Securitization Bonds is equal to the Projected Unpaid Balance on each Payment Date during such Calculation Period, (c) the balance on deposit in the Capital Subaccount equals the Required Capital Level and (d) all other fees and expenses due and owing and required or allowed to be paid under Section 8.02 of the Indenture as of such date shall have been paid in full; provided, that, with respect to any Annual True-Up Adjustment or Interim True-Up Adjustment occurring after the date that is one year prior to the last Scheduled Final Payment Date for the Securitization Bonds, the Periodic Payment Requirements shall be calculated to ensure that sufficient Securitization Charges will be collected to retire the Securitization Bonds in full as of the next Payment Date.

"Periodic Principal" means, with respect to any Payment Date, the excess, if any, of the Outstanding Amount of Securitization Bonds over the outstanding principal balance specified for such Payment Date on the Expected Amortization Schedule.

"Permitted Lien" means the Lien created by the Indenture.

"Permitted Successor" is defined in Section 5.02 of the Sale Agreement.

"Person" means any individual, corporation, limited liability company, estate, partnership, joint venture, association, joint stock company, trust (including any beneficiary thereof), unincorporated organization or Governmental Authority.

"Predecessor Securitization Bond" means, with respect to any particular Securitization Bond, every previous Securitization Bond evidencing all or a portion of the same debt as that evidenced by such particular Securitization Bond, and, for the purpose of this definition, any Securitization Bond authenticated and delivered under Section 2.06 of the Indenture in lieu of a mutilated, lost, destroyed or stolen Securitization Bond shall be deemed to evidence the same debt as the mutilated, lost, destroyed or stolen Securitization Bond.

"Premises" is defined in Section 1(g) of the Administration Agreement.

"Proceeding" means any suit in equity, action at law or other judicial or administrative proceeding.

"Projected Unpaid Balance" means, as of any Payment Date, the sum of the projected outstanding principal balance of each Tranche of Securitization Bonds for such Payment Date set forth in the Expected Amortization Schedule.

"Prospectus" means the prospectus dated December 5, 2023 relating to the Securitization Bonds.

"Protected Purchaser" has the meaning specified in Section 8-303 of the UCC.

"Qualified Costs" means all qualified costs as defined in Section 10h(g) of the Statute allowed to be recovered by Consumers Energy under the Financing Order.

"Rating Agency" means, with respect to any Tranche of Securitization Bonds, any of Moody's or S&P that provides a rating with respect to the Securitization Bonds. If no such organization (or successor) is any longer in existence, "Rating Agency" shall be a nationally recognized statistical rating organization or other comparable Person designated by the Issuer, notice of which designation shall be given to the Indenture Trustee and the Servicer.

"Rating Agency Condition" means, with respect to any action, at least ten Business Days' prior written notification to each Rating Agency of such action, and written confirmation from each of S&P and Moody's to the Indenture Trustee and the Issuer that such action will not result in a suspension, reduction or withdrawal of the then current rating by such Rating Agency of any Tranche of Securitization Bonds; provided, that, if, within such ten Business Day period, any Rating Agency (other than S&P) has neither replied to such notification nor responded in a manner that indicates that such Rating Agency is reviewing and considering the notification, then (a) the Issuer shall be required to confirm that such Rating Agency has received the Rating Agency Condition request and, if it has, promptly request the related Rating Agency Condition confirmation and (b) if the Rating Agency neither replies to such notification nor responds in a manner that indicates it is reviewing and considering the notification within five Business Days following such second request, the applicable Rating Agency Condition requirement shall not be deemed to apply to such Rating Agency. For the purposes of this definition, any confirmation, request, acknowledgment or approval that is required to be in writing may be in the form of electronic mail or a press release (which may contain a general waiver of a Rating Agency's right to review or consent).

"Record Date" means one Business Day prior to the applicable Payment Date.

"Registered Holder" means the Person in whose name a Securitization Bond is registered on the Securitization Bond Register.

"Regulation AB" means the rules of the SEC promulgated under Subpart 229.1100 – Asset Backed Securities (Regulation AB), 17 C.F.R. §§229.1100-229.1125.

"Reimbursable Expenses" is defined in Section 2 of the Administration Agreement.

"Released Parties" is defined in Section 6.02(d) of the Servicing Agreement.

"Required Capital Level" means an amount equal to 0.5% of the initial principal amount of the Securitization Bonds.

"Requirement of Law" means any foreign, U.S. federal, state or local laws, statutes, regulations, rules, codes or ordinances enacted, adopted, issued or promulgated by any Governmental Authority or common law.

"Responsible Officer" means, with respect to: (a) the Issuer, any Manager or any duly authorized officer; (b) the Indenture Trustee, any officer within the Corporate Trust Office of such trustee (including the President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Treasurer, any Trust Officer or any other officer of the Indenture Trustee customarily performing functions similar to those performed by persons who at the time shall be such officers, respectively, and that has direct responsibility for the administration of the Indenture and also, with respect to a particular matter, any other officer to whom such matter is referred to because of such officer's knowledge and familiarity with the particular subject); (c) any corporation (other than the Indenture Trustee), the Chief Executive Officer, the President, any Vice President, the Chief Financial Officer, the Treasurer, any Assistant Treasurer or any other duly authorized officer of such Person who has been authorized to act in the circumstances; (d) any partnership, any general partner thereof; and (e) any other Person (other than an individual), any duly authorized officer or member of such Person, as the context may require, who is authorized to act in matters relating to such Person.

"S&P" means S&P Global Ratings, a division of S&P Global Inc. References to S&P are effective so long as S&P is a Rating Agency.

"Sale Agreement" means the Securitization Property Purchase and Sale Agreement, dated as of the Closing Date, by and between the Issuer and Consumers Energy, and acknowledged and accepted by the Indenture Trustee.

"Scheduled Final Payment Date" means, with respect to each Tranche of Securitization Bonds, the date when all interest and principal is scheduled to be paid with respect to that Tranche in accordance with the Expected Amortization Schedule, as specified in the Series Supplement. For the avoidance of doubt, the Scheduled Final Payment Date with respect to any Tranche shall be the last Scheduled Payment Date set forth in the Expected Amortization Schedule relating to such Tranche. The "last Scheduled Final Payment Date" means the Scheduled Final Payment Date of the latest maturing Tranche of Securitization Bonds.

"Scheduled Payment Date" means, with respect to each Tranche of Securitization Bonds, each Payment Date on which principal for such Tranche is to be paid in accordance with the Expected Amortization Schedule for such Tranche.

"SEC" means the Securities and Exchange Commission.

"Secured Obligations" means the payment of principal of and premium, if any, interest on, and any other amounts owing in respect of, the Securitization Bonds and all fees, expenses, counsel fees and other amounts due and payable to the Indenture Trustee.

"Secured Parties" means the Indenture Trustee, the Holders and any credit enhancer described in the Series Supplement.

"Securities Act" means the Securities Act of 1933.

"Securities Intermediary" means The Bank of New York Mellon, a New York banking corporation, solely in the capacity of a "securities intermediary" as defined in the NY UCC and Federal Book-Entry Regulations or any successor securities intermediary under the Indenture.

"Securitization Bond Collateral" is defined in the preamble of the Indenture.

"Securitization Bond Interest Rate" means, with respect to any Tranche of Securitization Bonds, the rate at which interest accrues on the Securitization Bonds of such Tranche, as specified in the Series Supplement.

"Securitization Bond Register" is defined in Section 2.05 of the Indenture.

"Securitization Bond Registrar" is defined in Section 2.05 of the Indenture.

"Securitization Bonds" means the securitization bonds authorized by the Financing Order and issued pursuant to the Indenture.

"Securitization Charge Collections" means Securitization Charges actually received by the Servicer to be remitted to the Collection Account.

"Securitization Charge Payments" means the payments made by Customers based on the Securitization Charges that are actually received by the Servicer.

"Securitization Charges" means any securitization charges as defined in Section 10h(i) of the Statute that are authorized by the Financing Order.

"Securitization Property" means all securitization property as defined in Section 10h(j) of the Statute created pursuant to the Financing Order and under the Statute, including the right to impose, collect and receive the Securitization Charges in an amount necessary to provide the full recovery of all Qualified Costs, the right under the Financing Order to obtain periodic adjustments of Securitization Charges under Section 10k(3) of the Statute and all revenue, collections, payments, moneys and proceeds arising out of the rights and interests described under Section 10(j) of the Statute. The term "Securitization Property" when used with respect to Consumers Energy means and includes the rights of Consumers Energy that exist prior to the time that such rights are first transferred in connection with the issuance of the Securitization Bonds so as to become Securitization Property in accordance with Section 10j(2) of the Statute and the Financing Order.

"Securitization Property Records" is defined in Section 5.01 of the Servicing Agreement.

"Securitization Rate Class" means one of the separate rate classes to whom Securitization Charges are allocated for ratemaking purposes in accordance with the Financing Order.

"Securitization Rate Schedule" means the Tariff sheets to be filed with the Commission stating the amounts of the Securitization Charges, as such Tariff sheets may be amended or modified from time to time pursuant to a True-Up Adjustment.

"Self-Service Power" means (a) electricity generated and consumed at an industrial site or contiguous industrial site or single commercial establishment or single residence without the use of an electric utility's transmission and distribution system or (b) electricity generated primarily by the use of by-product fuels, including waste water solids, which electricity is consumed as part of a contiguous facility, with the use of an electric utility's transmission and distribution system, but only if the point or points of receipt of the power within the facility are not greater than three miles distant from the point of generation. A site or facility with load existing on the effective date of the Statute that is divided by an inland body of water or by a public highway, road or street but that otherwise meets this definition meets the contiguous requirement of this definition regardless of whether Self-Service Power was being generated on the effective date of the Statute. A commercial or industrial facility or single residence that meets the requirements of clause (a) above or clause (b) above meets this definition whether or not the generation facility is owned by an entity different from the owner of the commercial or industrial site or single residence.

"Seller" is defined in the preamble to the Sale Agreement.

"Semi-Annual Interim True-Up Adjustment" means any Interim True-Up Adjustment made pursuant to Section 4.01(b)(ii) of the Servicing Agreement.

"Semi-Annual Servicer's Certificate" is defined in Section 4.01(c)(ii) of the Servicing Agreement.

"Series Supplement" means the indenture supplemental to the Indenture in the form attached as Exhibit B to the Indenture that authorizes the issuance of the Securitization Bonds.

"Servicer" means Consumers Energy, as Servicer under the Servicing Agreement.

"Servicer Business Day" means any day other than a Saturday, a Sunday or a day on which banking institutions in Detroit, Michigan, Jackson, Michigan or New York, New York are authorized or obligated by law, regulation or executive order to be closed, on which the Servicer maintains normal office hours and conducts business.

"Servicer Default" is defined in Section 7.01 of the Servicing Agreement.

"Servicing Agreement" means the Securitization Property Servicing Agreement, dated as of the Closing Date, by and between the Issuer and Consumers Energy, and acknowledged and accepted by the Indenture Trustee.

"Servicing Fee" is defined in Section 6.06(a) of the Servicing Agreement.

"Special Payment Date" means the date on which, with respect to any Tranche of Securitization Bonds, any payment of principal of or interest (including any interest accruing upon default) on, or any other amount in respect of, the Securitization Bonds of such Tranche that is not actually paid within five days of the Payment Date applicable thereto is to be made by the Indenture Trustee to the Holders.

"Special Record Date" means, with respect to any Special Payment Date, the close of business on the fifteenth day (whether or not a Business Day) preceding such Special Payment Date.

"Sponsor" means Consumers Energy, in its capacity as "sponsor" of the Securitization Bonds within the meaning of Regulation AB.

"State" means any one of the fifty states of the United States of America or the District of Columbia.

"State Pledge" means the pledge of the State of Michigan as set forth in Section 10n(2) of the Statute.

"Statute" means the laws of the State of Michigan adopted in June 2000 enacted as 2000 PA 142.

"Subaccounts" is defined in Section 8.02(a) of the Indenture.

"Successor" means any successor to Consumers Energy under the Statute, whether pursuant to any bankruptcy, reorganization or other insolvency proceeding or pursuant to any merger, acquisition, sale or transfer, by operation of law, as a result of electric utility restructuring or otherwise.

"Successor Servicer" is defined in Section 3.07(e) of the Indenture.

"Tariff" means the most current version on file with the Commission of Sheet No. C-37.10 and Sheet No. D-7.10 of Consumers Energy's Rate Book for Electric Service, M.P.S.C. 14 – Electric, or substantially comparable sheets included in a later complete revision of Consumers Energy's Rate Book for Electric Service approved and on file with the Commission.

"Tax Returns" is defined in Section 1(a)(iii) of the Administration Agreement.

"Temporary Securitization Bonds" means Securitization Bonds executed and, upon the receipt of an Issuer Order, authenticated and delivered by the Indenture Trustee pending the preparation of Definitive Securitization Bonds pursuant to Section 2.04 of the Indenture.

"Termination Notice" is defined in Section 7.01 of the Servicing Agreement.

"Tranche" means any one of the groupings of Securitization Bonds differentiated by payment date schedule, amortization schedule, sinking fund schedule, maturity date or interest rate, as specified in the Series Supplement.

"Treasury" means the U.S. Department of the Treasury.

"True-Up Adjustment" means any Annual True-Up Adjustment or Interim True-Up Adjustment, as the case may be.

"Trust Indenture Act" means the Trust Indenture Act of 1939 as in force on the Closing Date, unless otherwise specifically provided.

"UCC" means the Uniform Commercial Code as in effect in the relevant jurisdiction.

"Underwriters" means the underwriters who purchase Securitization Bonds of any Tranche from the Issuer and sell such Securitization Bonds in a public offering.

"Underwriting Agreement" means the Underwriting Agreement, dated December 5, 2023, by and among Consumers Energy, the representative of the several Underwriters named therein and the Issuer.

"U.S. Government Obligations" means direct obligations (or certificates representing an ownership interest in such obligations) of the United States of America (including any agency or instrumentality thereof) for the payment of which the full faith and credit of the United States of America is pledged and that are not callable at the option of the issuer thereof.

B. Rules of Construction. Unless the context otherwise requires, in each Basic Document to which this Appendix A is attached:

(a) All accounting terms not specifically defined herein shall be construed in accordance with United States generally accepted accounting principles. To the extent that the definitions of accounting terms in any Basic Document are inconsistent with the meanings of such terms under generally accepted accounting principles or regulatory accounting principles, the definitions contained in such Basic Document shall control.

(b) The term "including" means "including without limitation", and other forms of the verb "include" have correlative meanings.

(c) All references to any Person shall include such Person's permitted successors and assigns, and any reference to a Person in a particular capacity excludes such Person in other capacities.

(d) Unless otherwise stated in any of the Basic Documents, in the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and each of the words "to" and "until" means "to but excluding".

(e) The words "hereof", "herein" and "hereunder" and words of similar import when used in any Basic Document shall refer to such Basic Document as a whole and not to any particular provision of such Basic Document. References to Articles, Sections, Appendices and Exhibits in any Basic Document are references to Articles, Sections, Appendices and Exhibits in or to such Basic Document unless otherwise specified in such Basic Document.

(f) The various captions (including the tables of contents) in each Basic Document are provided solely for convenience of reference and shall not affect the meaning or interpretation of any Basic Document.

(g) The definitions contained in this Appendix A apply equally to the singular and plural forms of such terms, and words of the masculine, feminine or neuter gender shall mean and include the correlative words of other genders.

(h) Unless otherwise specified, references to an agreement or other document include references to such agreement or document as from time to time amended, restated, reformed, supplemented or otherwise modified in accordance with the terms thereof (subject to any restrictions on such amendments, restatements, reformations, supplements or modifications set forth in such agreement or document) and include any attachments thereto.

(i) References to any law, rule, regulation or order of a Governmental Authority shall include such law, rule, regulation or order as from time to time in effect, including any amendment, modification, codification, replacement, reenactment or successor thereof or any substitution therefor.

(j) The word "will" shall be construed to have the same meaning and effect as the word "shall".

(k) The word "or" is not exclusive.

(l) All terms defined in the relevant Basic Document to which this Appendix A is attached shall have the defined meanings when used in any certificate or other document made or delivered pursuant thereto unless otherwise defined therein.

(m) A term has the meaning assigned to it.

Exhibit 10.4

INTERCREDITOR AGREEMENT

This INTERCREDITOR AGREEMENT dated as of December 12, 2023 (this "Agreement"), is among THE BANK OF NEW YORK MELLON, a New York banking corporation, with an office at 240 Greenwich Street, Floor 7 East, New York, New York 10286 (as Trustee under the 2014 Indenture referred to below, the "2014 Bond Trustee"), CONSUMERS 2014 SECURITIZATION FUNDING LLC, a Delaware limited liability company with an office at One Energy Plaza, Jackson, Michigan 49201 (the "2014 Bond Issuer"), THE BANK OF NEW YORK MELLON, a New York banking corporation, with an office at 240 Greenwich Street, Floor 7 East, New York, New York 10286 (as Trustee under the 2023 Indenture referred to below, the "2023 Bond Trustee"), CONSUMERS 2023 SECURITIZATION FUNDING LLC, a Delaware limited liability company with an office at One Energy Plaza, Jackson, Michigan 49201 (the "2023 Bond Issuer"), and CONSUMERS ENERGY COMPANY, a Michigan corporation with an office at One Energy Plaza, Jackson, Michigan 49201 (in its individual capacity, "Consumers").

WHEREAS, pursuant to the Securitization Property Purchase and Sale Agreement, dated as of July 22, 2014, between Consumers and the 2014 Bond Issuer (the "2014 Sale Agreement"), Consumers has sold all of its 2014 Securitization Property (which includes the 2014 Securitization Charge) to the 2014 Bond Issuer, and pursuant to the Securitization Property Servicing Agreement, dated as of July 22, 2014, between Consumers and the 2014 Bond Issuer attached as Exhibit B hereto (the "2014 Servicing Agreement"), Consumers has agreed to service the 2014 Securitization Property on behalf of the 2014 Bond Issuer; and

WHEREAS, pursuant to the terms of the Indenture, dated as of July 22, 2014, between the 2014 Bond Issuer and the 2014 Bond Trustee, as supplemented by one or more series supplements (collectively, the "2014 Indenture"), the 2014 Bond Issuer, among other things, has granted to the 2014 Bond Trustee a security interest in the 2014 Securitization Property and certain of its other assets to secure, among other things, the securitization bonds issued pursuant to the 2014 Indenture (the "2014 Securitization Bonds"); and

WHEREAS, pursuant to the 2014 Servicing Agreement, Consumers' obligations as the servicer (in such capacity, including any successors and assigns, the "2014 Bond Servicer") under the 2014 Servicing Agreement on behalf of the 2014 Bond Issuer include the collection of the 2014 Securitization Charge; and

WHEREAS, pursuant to the Securitization Property Purchase and Sale Agreement, dated as of December 12, 2023, between Consumers and the 2023 Bond Issuer (the "2023 Sale Agreement"), Consumers has sold all of its 2023 Securitization Property (which includes the 2023 Securitization Charge) to the 2023 Bond Issuer, and pursuant to the Securitization Property Servicing Agreement, dated as of December 12, 2023, between Consumers and the 2023 Bond Issuer attached as Exhibit C hereto (the "2023 Servicing Agreement"), Consumers has agreed to service the 2023 Securitization Property on behalf of the 2023 Bond Issuer; and

WHEREAS, pursuant to the terms of the Indenture, dated as of December 12, 2023, between the 2023 Bond Issuer and the 2023 Bond Trustee, as supplemented by one or more series supplements (collectively, the "2023 Indenture"), the 2023 Bond Issuer, among other things, has granted to the 2023 Bond Trustee a security interest in the 2023 Securitization Property and certain of its other assets to secure, among other things, the securitization bonds issued pursuant to the 2023 Indenture (the "2023 Securitization Bonds"); and

WHEREAS, pursuant to the 2023 Servicing Agreement, Consumers' obligations as the servicer (in such capacity, including any successors and assigns, the "2023 Bond Servicer") under the 2023 Servicing Agreement on behalf of the 2023 Bond Issuer include the collection of the 2023 Securitization Charge; and

WHEREAS, 2014 Securitization Charge Collections and 2023 Securitization Charge Collections and related bank accounts in which the same may be deposited are the subject of the 2014 Sale Agreement, the 2014 Indenture, the 2014 Servicing Agreement, the 2023 Sale Agreement, the 2023 Indenture and the 2023 Servicing Agreement; and

WHEREAS, the parties hereto wish to agree upon their respective rights relating to such 2014 Securitization Charge Collections, 2023 Securitization Charge Collections and any bank accounts into which the same may be deposited, as well as other matters of common interest to them that arise under or result from the co-existence of the 2014 Sale Agreement, the 2014 Indenture, the 2014 Servicing Agreement, the 2023 Sale Agreement, the 2023 Indenture and the 2023 Servicing Agreement; and

WHEREAS, defined terms not otherwise defined herein have the respective meanings set forth in Exhibit A hereto;

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto agree as follows:

1. General. The 2023 Bond Trustee and the 2023 Bond Issuer hereby acknowledge the ownership interest of the 2014 Bond Issuer in the 2014 Transferred Securitization Property, including revenues, collections, payments, money and proceeds arising therefrom (the "2014 Bond Issuer Assets") and the security interest in favor of the 2014 Bond Trustee in such assets (the "2014 Bond Trustee Collateral"). The 2014 Bond Trustee and the 2014 Bond Issuer hereby acknowledge the ownership interest of the 2023 Bond Issuer in the 2023 Transferred Securitization Property, including revenues, collections, payments, money and proceeds arising therefrom (the "2023 Bond Issuer Assets") and the security interest in favor of the 2023 Bond Trustee in such assets (the "2023 Bond Trustee Collateral"). The 2023 Bond Trustee and the 2023 Bond Issuer further acknowledge that, notwithstanding anything in the 2023 Indenture or the 2023 Sale Agreement to the contrary, none of them has any interest in the 2014 Bond Issuer Assets or the 2014 Bond Trustee Collateral. The 2014 Bond Trustee and the 2014 Bond Issuer further acknowledge that, notwithstanding anything in the 2014 Indenture or the 2014 Sale Agreement to the contrary, none of them has any interest in the 2023 Bond Issuer Assets or the 2023 Bond Trustee Collateral. Each of the parties hereto agrees that the determination of the assets that constitute 2014 Securitization Charge Collections in respect of the 2014 Transferred Securitization Property shall be made in accordance with the calculation methodology set forth in Exhibit A to the 2014 Servicing Agreement. Each of the parties hereto agrees that the determination of the assets that constitute 2023 Securitization Charge Collections in respect of the 2023 Transferred Securitization Property shall be made in accordance with the calculation methodology set forth in Exhibit A to the 2023 Servicing Agreement. It is understood and agreed that neither such Exhibit A to the 2014 Servicing Agreement nor such Exhibit A to the 2023 Servicing Agreement will be amended or modified without the prior written consent of each of the parties hereto.

2. Collections.

(a) Each of the parties hereto acknowledges that 2014 Securitization Charge Collections and 2023 Securitization Charge Collections will be deposited into any of:

(i) account nos. 11310, 1242263, 826202165 and 826202157 at JPMorgan Chase Bank, N.A.;

(ii) account nos. 7166888169, 7164496916 and 7166887732 at Fifth Third Bank; or

(iii) account no. 1076119914 at Comerica Bank

(each, together with any additional or replacement account agreed to in writing by the 2014 Bond Trustee subject to the 2014 Rating Agency Condition (as defined below) and the 2023 Bond Trustee subject to the 2023 Rating Agency Condition (as defined below), an "Account" and, collectively, the "Accounts") held by Consumers. For the avoidance of doubt, the removal of an Account no longer used for deposits of 2014 Securitization Charge Collections or 2023 Securitization Charge Collections where one or more other Accounts continue to be used for deposits of 2014 Securitization Charge Collections or 2023 Securitization Charge Collections shall not require any such agreement by, in case of any removal of an Account with respect to which any 2023 Securitization Charge Collections are deposited, the 2014 Bond Trustee or, in the case of any removal of an Account with respect to which any 2014 Securitization Charge Collections are deposited, the 2023 Bond Trustee, but the 2014 Bond Trustee and the 2023 Bond Trustee shall be informed in writing by Consumers of any such removal of an Account. Consumers in its respective capacities as 2014 Bond Servicer and as 2023 Bond Servicer, and on behalf of its successors and assigns in such capacities, agrees that it will (A) allocate amounts in the Accounts on a daily basis among 2014 Securitization Charge Collections and 2023 Securitization Charge Collections in accordance with the calculation methodology set forth in Exhibit A to the 2014 Servicing Agreement and Exhibit A to the 2023 Servicing Agreement and (B) thereafter (x) apply 2014 Securitization Charge Collections in accordance with the 2014 Servicing Agreement and (y) apply 2023 Securitization Charge Collections in accordance with the 2023 Servicing Agreement. Each of the parties hereto shall have the right to require an accounting from time to time of collections, allocations and remittances by Consumers in its capacity as collection agent relating to the Accounts.

(b) The 2023 Bond Trustee and the 2023 Bond Issuer waive any interest in deposits to the Accounts to the extent that they are properly allocable to 2014 Securitization Charge Collections, and the 2014 Bond Trustee and the 2014 Bond Issuer waive any interest in deposits to the Accounts to the extent that they are properly allocable to 2023 Securitization Charge Collections. Each of the parties hereto acknowledges the respective ownership and security interests of the others in the deposits to the Accounts to the extent of their respective interests as described in this Agreement.

3. Property Rights.

(a) The 2023 Bond Issuer and the 2023 Bond Trustee hereby acknowledge that, notwithstanding anything in the 2023 Sale Agreement or the 2023 Indenture to the contrary, all 2014 Securitization Charge Collections are property of the 2014 Bond Issuer pledged to the 2014 Bond Trustee, subject to the terms of the 2014 Indenture, the 2014 Sale Agreement and the 2014 Servicing Agreement. The 2014 Bond Issuer and the 2014 Bond Trustee hereby acknowledge that, notwithstanding anything in the 2014 Sale Agreement or the 2014 Indenture to the contrary, all 2023 Securitization Charge Collections are property of the 2023 Bond Issuer pledged to the 2023 Bond Trustee, subject to the terms of the 2023 Indenture, the 2023 Sale Agreement and the 2023 Servicing Agreement.

(b) Each of the 2023 Bond Issuer and the 2023 Bond Trustee hereby releases all liens and security interests of any kind whatsoever that the 2023 Bond Issuer or the 2023 Bond Trustee (or any trustee or agent acting on its behalf) may hold in the 2014 Transferred Securitization Property.

(c) Each of the 2014 Bond Issuer and the 2014 Bond Trustee hereby releases all liens and security interests of any kind whatsoever that the 2014 Bond Issuer or the 2014 Bond Trustee (or any trustee or agent acting on its behalf) may hold in the 2023 Transferred Securitization Property.

4. Applicability. The acknowledgments contained in Section 1, Section 2 and Section 3 of this Agreement are applicable irrespective of the time or order of attachment or perfection of security or ownership interests or the time or order of filing or recording of financing statements or mortgages.

5. Recognition.

(a) Subject to the remaining provisions of this Section 5(a), the 2023 Bond Issuer and the 2023 Bond Trustee recognize the existence of rights in favor of the 2014 Bond Trustee under the 2014 Indenture to replace Consumers as 2014 Bond Servicer under the 2014 Servicing Agreement, and the 2014 Bond Issuer and the 2014 Bond Trustee recognize the existence of rights in favor of the 2023 Bond Trustee under the 2023 Indenture to replace Consumers as 2023 Bond Servicer under the 2023 Servicing Agreement. If the 2014 Bond Trustee is entitled to and desires to exercise its right to replace Consumers or its successor as 2014 Bond Servicer under the 2014 Servicing Agreement or if the 2023 Bond Trustee is entitled to and desires to exercise its right to replace Consumers or its successor as 2023 Bond Servicer under the 2023 Servicing Agreement, the party desiring to exercise such right shall give written notice to the other parties (the "Servicer Notice") and shall consult with the other parties with respect to the person or entity that would replace Consumers or its successor in such capacities. Any successor in such capacities shall be agreed to by each of the 2014 Bond Trustee and the 2023 Bond Trustee within ten Business Days of the date of the Servicer Notice and shall be subject to the 2014 Rating Agency Condition and the 2023 Rating Agency Condition. In recognition of the fact that the rights and duties of the 2014 Bond Servicer under the 2014 Servicing Agreement and of the 2023 Bond Servicer under the 2023 Servicing Agreement overlap in certain circumstances, the parties agree that, except as provided in Section 5(b) of this Agreement, the 2014 Bond Servicer and the 2023 Bond Servicer shall be the same person or entity. The person or entity named as replacement 2014 Bond Servicer and replacement 2023 Bond Servicer in accordance with this Section 5(a) is referred to herein as the "Replacement Servicer". In the event that the 2014 Bond Trustee and the 2023 Bond Trustee cannot agree on a Replacement Servicer, any of such parties may petition a court of competent jurisdiction for appointment of a Replacement Servicer and, absent such agreement on a Replacement Servicer, the parties shall accept the Replacement Servicer appointed through such judicial action. In furtherance of the foregoing entitlements, the parties hereto agree to cooperate with each other and make available to each other or any Replacement Servicer any and all records and other data relevant to the 2014 Securitization Charge Collections and the 2023 Securitization Charge Collections, and to the Accounts that they may have in their possession or may from time to time receive from Consumers, the 2014 Bond Servicer and the 2023 Bond Servicer, including, without limitation, any and all computer programs, data files, documents, instruments, files and records and any receptacles and cabinets containing the same. Consumers hereby consents to the release of information regarding Consumers in connection with the foregoing.

(b) In the event that the 2014 Bond Trustee is entitled to and desires to exercise its rights to take control of 2014 Securitization Charge Collections or the 2023 Bond Trustee is entitled to and desires to exercise its rights to take control of 2023 Securitization Charge Collections, then the parties hereto agree that such financial institution as is selected by the 2014 Bond Trustee and the 2023 Bond Trustee subject to satisfaction of the 2014 Rating Agency Condition and the 2023 Rating Agency Condition (the "Designated Account Holder") shall (i) use commercially reasonable efforts to take control of the Accounts, (ii) cooperate with the 2014 Bond Trustee and the 2023 Bond Trustee and provide to the 2014 Bond Trustee and the 2023 Bond Trustee any necessary information in the Designated Account Holder's possession in connection with the delivery by the 2014 Bond Trustee and the 2023 Bond Trustee to the obligors under the 2014 Securitization Charges and the 2023 Securitization Charges of a notification to the effect that the 2014 Securitization Charge Collections are owned by the 2014 Bond Issuer and have been pledged to the 2014 Bond Trustee and that the 2023 Securitization Charge Collections are owned by the 2023 Bond Issuer and have been pledged to the 2023 Bond Trustee, (iii) allocate 2014 Securitization Charge Collections and 2023 Securitization Charge Collections in accordance with Section 2(a) of this Agreement in accordance with the calculation methodology set forth in Exhibit A to the 2014 Servicing Agreement and Exhibit A to the 2023 Servicing Agreement on the basis of billing information provided to the Designated Account Holder by Consumers or the Replacement Servicer, as applicable; provided, that if Consumers or the Replacement Servicer, as applicable, fails to provide such billing information for any billing month, the Designated Account Holder shall make such allocation on the basis of the billing information for the last month for which such information was provided, (iv) remit 2014 Securitization Charge Collections in accordance with the instructions of the 2014 Bond Servicer and remit 2023 Securitization Charge Collections in accordance with the instructions of the 2023 Bond Servicer, and (v) maintain records as to the amounts deposited into the Accounts, the amounts remitted therefrom and the application and allocation of such amounts as provided in Section 5(b)(iii) and Section 5(b)(iv) of this Agreement; provided, that the Designated Account Holder shall not be required to take any action at the request of the 2014 Bond Trustee or the 2023 Bond Trustee unless the Designated Account Holder has been assured to its satisfaction that it will be indemnified by Consumers against any and all liability and expense that it may incur in taking or continuing to take such action. The fees and expenses of the Designated Account Holder shall be payable from amounts deposited into the Accounts on a pro rata basis as among 2014 Securitization Charge Collections and 2023 Securitization Charge Collections; provided, that the portion of those fees and expenses allocable to 2014 Securitization Charge Collections shall be payable by the 2014 Bond Servicer from the servicer fees provided for in the 2014 Servicing Agreement and the portion of those fees and expenses allocable to 2023 Securitization Charge Collections shall be payable by the 2023 Bond Servicer from the servicer fees provided for in the 2023 Servicing Agreement. The 2014 Bond Trustee, the 2014 Bond Issuer, the 2023 Bond Trustee and the 2023 Bond Issuer shall each have the right to require an accounting from time to time (but not more frequently than monthly) of collections, allocations and remittances by the Designated Account Holder.

(c) Subject to the provisions of this Section 5, the parties hereto recognize the existence of rights in favor of the 2014 Bond Trustee under the 2014 Indenture to assume control of 2014 Securitization Charge Collections as provided in the 2014 Indenture, the 2014 Servicing Agreement, the Michigan Customer Choice and Electricity Reliability Act, 2000 PA 141 and 2000 PA 142, and the financing order issued to Consumers by the Michigan Public Service Commission on December 6, 2013, as amended (whether by means of court ordered sequestration or otherwise), and of the 2023 Bond Trustee under the 2023 Indenture to assume control of 2023 Securitization Charge Collections as provided in the 2023 Indenture, the 2023 Servicing Agreement, the Michigan Customer Choice and Electricity Reliability Act, 2000 PA 141 and 2000 PA 142, and the financing order issued to Consumers by the Michigan Public Service Commission on December 17, 2020, as amended (whether by means of court ordered sequestration or otherwise). Notwithstanding the foregoing, in no event may the 2014 Bond Trustee take any action with respect to the 2014 Securitization Charge Collections in a manner that would result in the 2014 Bond Trustee obtaining possession of, or any control over, 2023 Securitization Charge Collections. In the event that the 2014 Bond Trustee obtains possession of any 2023 Securitization Charge Collections, the 2014 Bond Trustee shall notify the 2023 Bond Trustee of such fact, shall hold them in trust and shall promptly deliver them to the 2023 Bond Trustee upon request. Notwithstanding the foregoing, in no event may the 2023 Bond Trustee take any action with respect to the 2023 Securitization Charge Collections in a manner that would result in the 2023 Bond Trustee obtaining possession of, or any control over, 2014 Securitization Charge Collections. In the event that the 2023 Bond Trustee obtains possession of any 2014 Securitization Charge Collections, the 2023 Bond Trustee shall notify the 2014 Bond Trustee of such fact, shall hold them in trust and shall promptly deliver them to the 2014 Bond Trustee upon request.

(d) Anything in this Agreement to the contrary notwithstanding, any action taken by the 2014 Bond Trustee or the 2023 Bond Trustee pursuant to Section 5(a) of this Agreement shall be subject to the 2014 Rating Agency Condition, the 2023 Rating Agency Condition and the consent, if required by law, regulation or regulatory order, of the Michigan Public Service Commission. For the purposes of this Agreement, the "2014 Rating Agency Condition" means, with respect to any action, at least ten business days' prior written notification to each rating agency of such action, and written confirmation from each of S&P and Moody's to the 2014 Bond Servicer, the 2014 Bond Trustee and the 2014 Bond Issuer that such action will not result in a suspension, reduction or withdrawal of the then current rating by such rating agency of any tranche of the 2014 Securitization Bonds issued by the 2014 Bond Issuer; provided, that, if within such ten business day period, any rating agency (other than S&P) has neither replied to such notification nor responded in a manner that indicates that such rating agency is reviewing and considering the notification, then (i) the 2014 Bond Issuer shall be required to confirm that such rating agency has received the 2014 Rating Agency Condition request, and if it has, promptly request the related 2014 Rating Agency Condition confirmation and (ii) if the rating agency neither replies to such notification nor responds in a manner that indicates it is reviewing and considering the notification within five business days following such second request, the applicable 2014 Rating Agency Condition requirement shall not be deemed to apply to such rating agency; and, for the purposes of this definition, any confirmation, request, acknowledgment or approval that is required to be in writing may be in the form of electronic mail or a press release (which may contain a general waiver of a rating agency's right to review or consent). For the purposes of this Agreement, the "2023 Rating Agency Condition" means, with respect to any action, at least ten business days' prior written notification to each rating agency of such action, and written confirmation from each of S&P and Moody's to the 2023 Bond Trustee and the 2023 Bond Issuer that such action will not result in a suspension, reduction or withdrawal of the then current rating by such rating agency of any tranche of the 2023 Securitization Bonds issued by the 2023 Bond Issuer; provided, that, if within such ten business day period, any rating agency (other than S&P) has neither replied to such notification nor responded in a manner that indicates that such rating agency is reviewing and considering the notification, then (i) the 2023 Bond Issuer shall be required to confirm that such rating agency has received the 2023 Rating Agency Condition request, and if it has, promptly request the related 2023 Rating Agency Condition confirmation and (ii) if the rating agency neither replies to such notification nor responds in a manner that indicates it is reviewing and considering the notification within five business days following such second request, the applicable 2023 Rating Agency Condition requirement shall not be deemed to apply to such rating agency; and, for the purposes of this definition, any confirmation, request, acknowledgment or approval that is required to be in writing may be in the form of electronic mail or a press release (which may contain a general waiver of a rating agency's right to review or consent). The parties hereto acknowledge and agree that the approval or the consent of the rating agencies that is required in order to satisfy the 2014 Rating Agency Condition or the 2023 Rating Agency Condition is not subject to any standard of commercial reasonableness, and the parties are bound to satisfy this condition whether or not the rating agencies are unreasonable or arbitrary.

6. No Obligations.

(a) Notwithstanding anything herein to the contrary, none of the 2014 Bond Trustee, the 2014 Bond Issuer, the 2023 Bond Trustee or the 2023 Bond Issuer shall be required to take any action that exposes it to personal liability or that is contrary to the 2014 Indenture, the 2014 Servicing Agreement, the 2023 Indenture, the 2023 Servicing Agreement or applicable law.

(b) None of the 2014 Bond Trustee, the 2014 Bond Issuer, the 2023 Bond Trustee or the 2023 Bond Issuer or any of their respective directors, officers, managers, agents or employees shall be liable for any action taken or omitted to be taken by it or them under or in connection with this Agreement, except for its or their own gross negligence, bad faith or willful misconduct. Without limiting the foregoing, each of the 2014 Bond Trustee, the 2014 Bond Issuer, the 2023 Bond Trustee and the 2023 Bond Issuer: (i) may consult with legal counsel, independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts; (ii) makes no warranty or representation to any party and shall not be responsible to any party for any statements, warranties or representations made by any other party in connection with this Agreement or any other agreement; (iii) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of this Agreement or any other agreement on the part of any other party; and (iv) shall incur no liability under or in respect of this Agreement by acting upon any writing (which may be by facsimile or email) believed by it in good faith to be genuine and signed or sent by the proper party or parties.

7. Cooperation. The 2014 Bond Trustee, the 2023 Bond Trustee and Consumers agree to cooperate with each other and to make available to each other or any Replacement Servicer any and all records and other data relevant to the 2014 Bond Issuer Assets and the 2023 Bond Issuer Assets that it may from time to time receive from Consumers (or its successor), including, without limitation, any and all computer programs, data files, documents, instruments, files and records and any receptacles and cabinets containing the same.

8. No Joint Venture. Nothing herein contained shall be deemed as effecting a joint venture among Consumers, the 2014 Bond Issuer, the 2014 Bond Trustee, the 2023 Bond Issuer and the 2023 Bond Trustee.

9. Termination. This Agreement shall terminate upon such time that either of the following has occurred: (a) the payment in full of the securitization bonds issued under the 2014 Indenture; or (b) the payment in full of the securitization bonds issued under the 2023 Indenture, except that the understandings and acknowledgments contained in Section 1, Section 2, Section 3, Section 4, Section 6 and Section 14 of this Agreement shall survive the termination of this Agreement (except that the last sentence of Section 1 of this Agreement shall not survive a termination of this Agreement).

10. Governing Law.

(a) This Agreement shall be governed and construed in accordance with the internal laws (including, without limitation, Section 5-1401 of the General Obligations Law of the State of New York, but otherwise without regard to the law of conflicts) of the State of New York.

(b) In connection with any suit, claim, action or proceeding arising out of or relating to this Agreement and the transactions contemplated hereby, each party hereto hereby consents to the in personam jurisdiction of any court of the State of New York or any U.S. federal court located in the Borough of Manhattan in the City of New York, State of New York. Each party hereto agrees that service by registered mail, or any other form equivalent thereto (or, in the alternative, by any other means sufficient under applicable law, rules and regulations), at the addresses set forth in Section 17 of this Agreement shall be valid and sufficient for all purposes. Each party hereto agrees to, and irrevocably waives any objection based on forum non conveniens or venue not to, appear in such state or U.S. federal court located in the Borough of Manhattan. Each of Consumers, the 2014 Bond Issuer and the 2023 Bond Issuer irrevocably designates CT Corporation System, 28 Liberty Street, 42nd Floor, New York, NY 10005, as its agent and attorney-in-fact for the acceptance of service of process and making an appearance on its behalf in any such action or proceeding and taking all such acts as may be necessary or appropriate in order to confer jurisdiction over it by such state or U.S. federal court in the Borough of Manhattan, and each of such parties stipulates that such appointment is irrevocable and coupled with an interest.

(c) EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT AND FOR ANY COUNTERCLAIM THEREIN.

11. Further Assurances. Consumers, the 2014 Bond Issuer, the 2014 Bond Trustee, the 2014 Bond Servicer, the 2023 Bond Issuer, the 2023 Bond Trustee and the 2023 Bond Servicer agree to execute any and all agreements, instruments, financing statements, releases and other documents reasonably requested by any other party hereto in order to effectuate the intent of this Agreement. In each case where a release is to be given pursuant to this Agreement, the term “release” shall include any documents or instruments necessary to effect a release, as contemplated by this Agreement. All releases, subordinations and other instruments submitted to the executing party are to be prepared at the expense of Consumers.

12. Beneficiaries. This Agreement is solely for the benefit of Consumers, the 2014 Bond Issuer, the 2014 Bond Trustee (individually and for the benefit of the holders of the securitization bonds issued under the 2014 Indenture), the 2014 Bond Servicer, the 2023 Bond Issuer, the 2023 Bond Trustee (individually and for the benefit of the holders of the securitization bonds issued under the 2023 Indenture) and the 2023 Bond Servicer, and no other person or entity shall have any rights, benefits, priority or interest under or because of the existence of this Agreement.

13. Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument. The parties hereto agree that this Agreement may be electronically signed, that any digital or electronic signatures (including pdf, facsimile or electronically imaged signatures provided by DocuSign or any other digital signature provider as specified in writing to the 2014 Bond Trustee and the 2023 Bond Trustee) appearing on this Agreement are the same as handwritten signatures for the purposes of validity, enforceability and admissibility, and that delivery of any such electronic signature to, or a signed copy of, this Agreement may be made by facsimile, email or other electronic transmission.

14. Bankruptcy Matters.

(a) Notwithstanding any prior termination of this Agreement or the 2014 Indenture, each of the parties hereto hereby covenants and agrees that it shall not, prior to the date that is one year and one day after the termination of the 2014 Indenture and the payment in full of the securitization bonds issued under the 2014 Indenture, any other amounts owed under the 2014 Indenture, including, without limitation, any amounts owed to third-party credit enhancers or under any interest rate swap agreement, acquiesce, petition or otherwise invoke or cause the 2014 Bond Issuer to invoke the process of any court or government authority for the purpose of commencing or sustaining a case against the 2014 Bond Issuer under any federal or state bankruptcy, insolvency or similar law or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of the 2014 Bond Issuer or any substantial part of the property of the 2014 Bond Issuer, or ordering the winding up or liquidation of the affairs of the 2014 Bond Issuer.

(b) Notwithstanding any prior termination of this Agreement or the 2023 Indenture, each of the parties hereto hereby covenants and agrees that it shall not, prior to the date that is one year and one day after the termination of the 2023 Indenture and the payment in full of the securitization bonds issued under the 2023 Indenture, any other amounts owed under the 2023 Indenture, including, without limitation, any amounts owed to third-party credit enhancers or under any interest rate swap agreement, acquiesce, petition or otherwise invoke or cause the 2023 Bond Issuer to invoke the process of any court or government authority for the purpose of commencing or sustaining a case against the 2023 Bond Issuer under any federal or state bankruptcy, insolvency or similar law or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of the 2023 Bond Issuer or any substantial part of the property of the 2023 Bond Issuer, or ordering the winding up or liquidation of the affairs of the 2023 Bond Issuer.

15. No Challenges. The 2023 Bond Trustee agrees that it will not (a) challenge the transfer of 2014 Bond Issuer Assets from Consumers to the 2014 Bond Issuer, whether on the grounds that such transfer was a disguised financing or a fraudulent conveyance or otherwise, so long as such transfer is carried out in all material respects in accordance with the 2014 Sale Agreement and related documents, or (b) assert that Consumers and the 2014 Bond Issuer should be substantively consolidated. The 2014 Bond Trustee agrees that it will not (i) challenge the transfer of 2023 Bond Issuer Assets from Consumers to the 2023 Bond Issuer, whether on the grounds that such transfer was a disguised financing or a fraudulent conveyance or otherwise, so long as such transfer is carried out in all material respects in accordance with the 2023 Sale Agreement and related documents, or (ii) assert that Consumers and the 2023 Bond Issuer should be substantively consolidated.

16. Amendments. Notwithstanding any provision of this Agreement to the contrary, upon the entry by Consumers (a) into (i) an additional sale agreement providing for the sale by Consumers of additional securitization property to an issuer of additional securitization bonds pursuant to an additional financing order issued by the Michigan Public Service Commission and the pledge of such additional securitization property by such issuer to a trustee under an indenture pursuant to which such additional securitization bonds are issued and (ii) an additional servicing agreement providing for the servicing of such additional securitization property or (b) into a trade receivables purchase and sale agreement or similar arrangement under which it sells all or any portion of its accounts receivables owing from Michigan electric distribution customers, in either case, upon the written request of Consumers, the parties hereto agree to enter into an amended or replacement intercreditor agreement with the parties to such additional securitization property program or trade receivables or similar arrangement, as the case may be, having substantially the same terms and provisions as this Agreement or any other intercreditor agreement previously entered into by the 2014 Bond Issuer or the 2023 Bond Issuer upon (x) receipt by the 2014 Bond Trustee and the 2023 Bond Trustee of an opinion of counsel satisfactory to the 2014 Bond Trustee and the 2023 Bond Trustee to the effect that the substitution of such amended or replacement intercreditor agreement and such additional securitization property program and the related documentation will not adversely affect the rights and interest of the holders of the securitization bonds issued under the 2014 Indenture, the 2014 Bond Issuer, the 2014 Bond Trustee, the holders of the securitization bonds issued under the 2023 Indenture, the 2023 Bond Issuer or the 2023 Bond Trustee and (y) satisfaction of the 2014 Rating Agency Condition and the 2023 Rating Agency Condition.

17. Notices. Unless otherwise specifically provided herein, all notices, directions, consents and waivers required under the terms and provisions of this Agreement shall be in writing, and any such notice, direction, consent or waiver may be given by United States first-class mail, reputable overnight courier service or facsimile or email transmission (confirmed by telephone, United States first-class mail or reputable overnight courier service in the case of notice by facsimile or email transmission) or any other customary means of communication, and any such notice, direction, consent or waiver shall be effective when delivered or transmitted, or if mailed, five days after deposit in the United States first-class mail with proper postage for first-class mail prepaid:

(a) in the case of Consumers, at Consumers Energy Company, One Energy Plaza, Jackson, Michigan 49201; telephone: (517) 788-6749; email: Todd.Wehner@cmsenergy.com;

(b) in the case of the 2014 Bond Issuer, at Consumers 2014 Securitization Funding LLC, One Energy Plaza, Jackson, Michigan 49201; telephone: (517) 788-6749; email: Todd.Wehner@cmsenergy.com;

(c) in the case of the 2014 Bond Trustee, at 240 Greenwich Street, Floor 7 East, New York, New York 10286, Attention: Global Client Services (ABS); telephone: (212) 815-2484; email: Jacqueline.Kuhn@bnymellon.com;

(d) in the case of the 2023 Bond Issuer, at Consumers 2023 Securitization Funding LLC, One Energy Plaza, Jackson, Michigan 49201; telephone: (517) 788-6749; email: Todd.Wehner@cmsenergy.com;

(e) in the case of the 2023 Bond Trustee, at 240 Greenwich Street, Floor 7 East, New York, New York 10286, Attention: Corporate Trust Administration; telephone: (212) 815-2484; email: Jacqueline.Kuhn@bnymellon.com;

(f) in the case of Moody's, at Moody's Investors Service, Inc., 7 World Trade Center at 250 Greenwich Street, New York, New York 10007, Attention: ABS/RMBS Monitoring Department; telephone: (212) 553-0300; email concerning semiannual reports: servicerreports@moodys.com; email concerning this Agreement and the transactions contemplated hereby: ABSCORmonitoring@moodys.com; and

(g) in the case of S&P, at S&P Global Ratings, a division of S&P Global Inc., 55 Water Street, New York, New York 10041, Attention: Structured Credit Surveillance; email: Servicer_reports@spglobal.com;

or, as to each of the foregoing, at such other address as shall be designated by written notice to the other parties.

18. Waivers. No delay upon the part of any party to this Agreement in the exercise of any right, power or remedy shall operate as a waiver thereof, nor shall any single or partial exercise by any such party of any right, power or remedy preclude other or further exercise thereof, or the exercise of any other right, power or remedy. No waiver, amendment or other modification of, or consent with respect to, any provision of this Agreement shall be effective unless the same shall be in writing and shall be signed by each of the parties hereto.

19. Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remainder of such provision (if any) or the remaining provisions hereof (unless such construction shall be unreasonable), and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

20. Trustee Actions. In acting hereunder, the 2014 Bond Trustee shall have the rights, protections and immunities granted to it under the 2014 Indenture, and the 2023 Bond Trustee shall have the rights, protections and immunities granted to it under the 2023 Indenture.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

CONSUMERS ENERGY COMPANY,
Individually,
as 2014 Bond Servicer and
as 2023 Bond Servicer

By: _____
Name:
Title:

THE BANK OF NEW YORK MELLON,
as 2014 Bond Trustee

By: _____
Name:
Title:

THE BANK OF NEW YORK MELLON,
as 2023 Bond Trustee

By: _____
Name:
Title:

CONSUMERS 2014 SECURITIZATION FUNDING LLC

By: _____
Name:
Title:

CONSUMERS 2023 SECURITIZATION FUNDING LLC

By: _____
Name:
Title:

EXHIBIT A TO INTERCREDITOR AGREEMENT

Definitions

"2014 Securitization Charge" means "Securitization Charge" as defined in Appendix A to the 2014 Servicing Agreement.

"2014 Securitization Charge Collections" means "Securitization Charge Collections" as defined in Appendix A to the 2014 Servicing Agreement.

"2014 Securitization Property" means "Securitization Property" as defined in Appendix A to the 2014 Servicing Agreement.

"2014 Transferred Securitization Property" means 2014 Securitization Property that has been sold, assigned and/or transferred to Consumers 2014 Securitization Funding LLC pursuant to the 2014 Sale Agreement and the Bill of Sale (as defined in the 2014 Sale Agreement).

"2023 Securitization Charge" means "Securitization Charges" as defined in Appendix A to the 2023 Servicing Agreement.

"2023 Securitization Charge Collections" means "Securitization Charge Collections" as defined in Appendix A to the 2023 Servicing Agreement.

"2023 Securitization Property" means "Securitization Property" as defined in Appendix A to the 2023 Servicing Agreement.

"2023 Transferred Securitization Property" means 2023 Securitization Property that has been sold, assigned and/or transferred to Consumers 2023 Securitization Funding LLC pursuant to the 2023 Sale Agreement and the Bill of Sale (as defined in the 2023 Sale Agreement).

EXHIBIT B TO INTERCREDITOR AGREEMENT

2014 Servicing Agreement

See attached.

EXHIBIT C TO INTERCREDITOR AGREEMENT

2023 Servicing Agreement

See attached.

Filed Pursuant to Rule 424(b)(1)
Registration Nos. 333-274648 and 333-274648-01

PROSPECTUS

$646,000,000 SENIOR SECURED SECURITIZATION BONDS, SERIES 2023A

CONSUMERS ENERGY COMPANY

Sponsor, Depositor and Initial Servicer

Central Index Key Number: 201533

CONSUMERS 2023 SECURITIZATION FUNDING LLC

Issuing Entity

Central Index Key Number: 1991774

Tranche	Expected Weighted Average Life (Years)	Principal Amount Offered	Scheduled Final Payment Date	Final Maturity Date	Interest Rate	Initial Price to Public[1]	Underwriting Discounts and Commissions[2]	Proceeds to Issuing Entity (Before Expenses)
A-1	1.78	$250,000,000	3/1/2027	3/1/2028	5.55%	99.99006%	0.40000%	$248,975,150
A-2	5.12	$396,000,000	9/1/2030	9/1/2031	5.21%	99.95732%	0.40000%	$394,246,987

(1) Interest on the Bonds will accrue from December 12, 2023 and must be paid by the purchaser if the Bonds are delivered after that date.

(2) We have agreed to pay or reimburse the underwriters for certain fees and expenses in connection with this offering. See "*Plan of Distribution*" and "*Use of Proceeds*" in this prospectus.

The total price to the public is $645,806,137. The total amount of underwriting discounts and commissions is $2,584,000. The total amount of proceeds to Consumers 2023 Securitization Funding LLC before deduction of expenses (estimated to be $4,551,788) is $643,222,137. The distribution frequency is semi-annually. The first expected distribution date is September 1, 2024.

Investing in the Senior Secured Securitization Bonds, Series 2023A involves risks. See "Risk Factors" beginning on page 20 of this prospectus to read about factors you should consider before buying the Senior Secured Securitization Bonds, Series 2023A.

Consumers Energy Company, referred to in this prospectus as Consumers Energy, as Depositor, is offering $646,000,000 aggregate principal amount of the Senior Secured Securitization Bonds, Series 2023A, in two tranches, referred to in this prospectus as the Bonds, to be issued by Consumers 2023 Securitization Funding LLC, referred to in this prospectus as the Issuing Entity. Consumers Energy is also the Seller, the Initial Servicer and the Sponsor with regard to the Bonds. The Bonds will be issued pursuant to Public Act 142 of 2000, which amended Public Act 3 of 1939, MCL 460.1 *et seq.*, referred to in this prospectus as the Statute, and an irrevocable financing order issued by the Michigan Public Service Commission, referred to in this prospectus as the MPSC, on December 17, 2020, Case No. U-20889, referred to in this prospectus as the Financing Order.

The Bonds are senior secured obligations of the Issuing Entity supported by Securitization Property (as defined in this prospectus), which includes the right to irrevocable Nonbypassable (as defined in this prospectus) charges, known as Securitization Charges, paid by all existing and future Customers (as described in this prospectus and subject to the exceptions described in this prospectus), of Consumers Energy, or its successors, based on their electricity usage as discussed in this prospectus. Under the Financing Order, Customers will be responsible to pay Securitization Charges. The Statute mandates that the Securitization Charges be adjusted at least annually, and the Financing Order further permits True-Up Adjustments (as defined in this prospectus) to occur semi-annually, or more frequently if necessary, in each case, to ensure the expected recovery during the succeeding annual period of amounts required for the timely payment of debt service and other required amounts and charges in connection with the Bonds, as described further in this prospectus. The Servicing Agreement (as defined in this prospectus) will require Securitization Charges to be adjusted quarterly following the Scheduled Final Payment Date for each tranche of Bonds if there are any remaining amounts due.

Credit enhancement for the Bonds will be provided by the True-Up Mechanism (as defined in this prospectus) as well as by accounts held under the indenture for the Bonds, referred to in this prospectus as the Indenture.

The Bonds represent obligations only of the Issuing Entity and do not represent obligations of Consumers Energy or any of its affiliates, other than the Issuing Entity. The Bonds are secured by the assets of the Issuing Entity, consisting principally of the Securitization Property and funds on deposit in the Collection Account described in this prospectus and related subaccounts held under the Indenture. Please read "*Security for the Bonds*" in this prospectus. The Bonds are not a debt or liability of the State of Michigan and are not a charge on its full faith and credit or taxing power.

In the Financing Order, the MPSC affirms that it will act pursuant to the Financing Order to ensure that the expected Securitization Charges are sufficient to pay on a timely basis scheduled principal of and interest on the Bonds and the Ongoing Other Qualified Costs as described in this prospectus. The Financing Order, together with the Securitization Charges authorized by the Financing Order, are irrevocable and not subject to reduction, impairment, postponement, termination or adjustment by further action of the MPSC, except by use of the True-Up Mechanism approved in the Financing Order.

Interest will accrue on the Bonds from the date of issuance. The Bonds are scheduled to pay principal and interest semi-annually on March 1 and September 1 of each year. The first Payment Date (as defined in this prospectus) on which principal for a tranche of the Bonds is to be paid in accordance with the expected amortization schedule is September 1, 2024. On each Payment Date, sequentially, each Bond will be entitled to payment of principal, but only to the extent funds are available in the Collection Account and related subaccounts held under the Indenture after payment of certain fees and expenses and after payment of interest.

Consumers Energy is the sole member of the Issuing Entity and is the sole owner of the Issuing Entity's equity interests. Consumers Energy's Central Index Key number is 201533. The Issuing Entity's Central Index Key number is 1991774.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The Bonds will be ready for delivery in book-entry form through the facilities of The Depository Trust Company, referred to in this prospectus as DTC, for the accounts of its participants, including Clearstream Banking, Luxembourg, S.A. and Euroclear Bank SA/NV, as operator of the Euroclear System, against payment of immediately available funds in New York, New York on or about December 12, 2023.

Sole Book-Running Manager

Citigroup

Co-Managers

RBC Capital Markets **SMBC Nikko** **Drexel Hamilton** **Ramirez & Co., Inc.**

The date of this prospectus is December 5, 2023.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement filed with the Securities and Exchange Commission, referred to in this prospectus as the SEC. This prospectus provides you with information about the Issuing Entity, the Bonds and Consumers Energy, which is the Depositor, the Seller, the Sponsor and the Initial Servicer. This prospectus describes the terms of the Bonds being offered hereby. You should carefully review this prospectus, any free writing prospectus the Issuing Entity files with the SEC, and the information, if any, contained in the documents referenced under "*Where You Can Find More Information*" in this prospectus.

You can find a glossary of the defined terms used in this prospectus beginning on page 138 of this prospectus.

References in this prospectus to the term we, us or the Issuing Entity are to Consumers 2023 Securitization Funding LLC, the entity that will issue the Bonds. References to the Bonds are to the Senior Secured Securitization Bonds, Series 2023A offered pursuant to this prospectus. References to the Seller, the Depositor or the Sponsor are to Consumers Energy. References to the Servicer are to Consumers Energy, as Initial Servicer, and any successor servicer under the Servicing Agreement described in this prospectus. References to the Administrator are to Consumers Energy or any successor or assignee under the Administration Agreement described in this prospectus.

References to the MPSC are to the Michigan Public Service Commission. References to the Statute are to the laws of the State of Michigan adopted in June 2000 enacted as 2000 PA 142, as amended, which authorize the MPSC to approve the recovery of qualified costs by certain electric utilities through the issuance of securitization bonds. References to Customers are to all existing and future retail electric distribution customers of Consumers Energy or its successors, excluding customers:

- to the extent they obtain or use Self-Service Power;
- to the extent engaged in Affiliate Wheeling; and
- who are retail open access, also known as ROA, customers as of December 17, 2020 and who do not become retail electric distribution customers after December 17, 2020, referred to in this prospectus as Current ROA Customers.

References to the Financing Order are to the irrevocable financing order issued by the MPSC in Case No. U-20889 on December 17, 2020.

This prospectus includes cross-references to other sections in this prospectus to allow you to find further related discussions. You can also find key topics in the table of contents on the preceding page. Check the table of contents to locate these sections.

This prospectus and any free writing prospectus that we prepare or authorize contain and incorporate by reference information that you should consider when making your investment decision. None of the Issuing Entity, any underwriter, agent, dealer or salesperson, the MPSC or Consumers Energy has authorized anyone else to provide you with any different information. If anyone provides you with different or inconsistent information, you should not rely on it. The Bonds are not being offered in any jurisdiction where the offer or sale is not permitted. The information in this prospectus is current only as of the date of this prospectus.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

We have included statements in this prospectus that constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, referred to in this prospectus as the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, referred to in this prospectus as the Exchange Act. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance may be forward-looking statements. Also, forward-looking statements may be identified by reference to a future period or periods or by the use of forward-looking terminology such as "anticipates", "assumes", "believes", "could", "estimates", "expects", "forecasts", "goals", "guidance", "intends", "may", "might", "objectives", "plans", "possible", "potential", "predicts", "projects", "seeks", "should", "targets", "will" or similar terms or variations of these terms. This includes forward-looking statements regarding expectations, estimates and projections about the electric consumption of Consumers Energy's customers, Consumers Energy's ability to service the Securitization Property and collect the Securitization Charges, the Issuing Entity's ability to pay back the Bonds, and the MPSC's adherence to the State Pledge to protect the rights of bondholders. Accordingly, any such statements are qualified in their entirety by reference to important factors included under "*Risk Factors*" in this prospectus (in addition to any assumptions and other factors referred to specifically in connection with such forward-looking statements) that could have a significant impact on financial results, and could cause actual results to differ materially from those contained in forward-looking statements made by or on behalf of the Issuing Entity or Consumers Energy, in this prospectus, in presentations, on websites, in response to questions or otherwise.

We caution you that any forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to differ materially from the future results, performance or achievements we have anticipated in the forward-looking statements.

The following are some factors, among others, that could cause actual results to differ materially from those expressed or implied by forward-looking statements in this prospectus:

- state and federal legislative, judicial and regulatory actions or developments, including deregulation and restructuring of the electric utility industry, and changes in, or changes in application of, laws or regulations applicable to other aspects of the Servicer's business;
- actions of NRSROs, including downgrading the ratings of the Bonds;
- the accuracy of the Servicer's forecasts of energy consumption resulting from customer usage patterns, including energy efficiency efforts and use of alternative energy sources, including self-generation;
- the accuracy of the Servicer's estimates of the customer payment patterns, including the rate of delinquencies and charge-offs;
- factors affecting utility operations such as catastrophic weather-related damage, environmental incidents, unplanned facility outages and repairs and maintenance, and electric transmission constraints;
- factors affecting consumption and demand for electricity, including political developments, unusual weather, changes in economic conditions, customer growth and declines, commodity prices, energy conservation efforts, and continued adoption of distributed generation by customers;
- direct or indirect results of cyberattacks, security breaches or other attempts to disrupt the Servicer's business; and
- acts of war or terrorism, global instability, pandemics or other catastrophic events affecting electric customer energy consumption or demand in the service territory.

Except as may be required by law, the Issuing Entity and Consumers Energy expressly disclaim any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

OFFERING RESTRICTIONS IN CERTAIN JURISDICTIONS

Notice to Residents of the European Economic Area

THE BONDS ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO, AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO, ANY EEA RETAIL INVESTOR IN THE EUROPEAN ECONOMIC AREA. FOR THESE PURPOSES, THE EXPRESSION **EEA RETAIL INVESTOR** MEANS A PERSON WHO IS ONE (OR MORE) OF THE FOLLOWING:

- A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU, AS AMENDED;
- A CUSTOMER WITHIN THE MEANING OF DIRECTIVE (EU) 2016/97 (AS AMENDED), WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU, AS AMENDED; OR
- NOT A QUALIFIED INVESTOR WITHIN THE MEANING OF THE PROSPECTUS REGULATION.

CONSEQUENTLY NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014, AS AMENDED, FOR OFFERING OR SELLING THE BONDS OR OTHERWISE MAKING THEM AVAILABLE TO EEA RETAIL INVESTORS IN THE EUROPEAN ECONOMIC AREA HAS BEEN PREPARED; AND THEREFORE OFFERING OR SELLING THE BONDS OR OTHERWISE MAKING THEM AVAILABLE TO ANY EEA RETAIL INVESTOR IN THE EUROPEAN ECONOMIC AREA MAY BE UNLAWFUL UNDER REGULATION (EU) NO 1286/2014, AS AMENDED.

THIS PROSPECTUS IS NOT A PROSPECTUS FOR PURPOSES OF THE PROSPECTUS REGULATION. THIS PROSPECTUS HAS BEEN PREPARED ON THE BASIS THAT ANY OFFER OF BONDS IN ANY MEMBER STATE OF THE EUROPEAN ECONOMIC AREA WILL BE MADE ONLY PURSUANT TO AN EXEMPTION UNDER THE PROSPECTUS REGULATION FROM THE REQUIREMENT TO PUBLISH A PROSPECTUS FOR OFFERS OF BONDS. ACCORDINGLY ANY PERSON MAKING OR INTENDING TO MAKE AN OFFER IN THAT MEMBER STATE OF THE EUROPEAN ECONOMIC AREA OF BONDS THAT ARE THE SUBJECT OF THE OFFERING CONTEMPLATED IN THIS PROSPECTUS MAY ONLY DO SO IN CIRCUMSTANCES IN WHICH NO OBLIGATION ARISES FOR THE ISSUING ENTITY OR ANY OF THE UNDERWRITERS TO PUBLISH A PROSPECTUS PURSUANT TO ARTICLE 3 OF THE PROSPECTUS REGULATION, IN RELATION TO SUCH OFFER. NEITHER THE ISSUING ENTITY NOR ANY UNDERWRITER HAVE AUTHORIZED, NOR DO THEY AUTHORIZE, THE MAKING OF ANY OFFER OF BONDS IN CIRCUMSTANCES IN WHICH AN OBLIGATION ARISES FOR THE ISSUING ENTITY OR ANY OF THE UNDERWRITERS TO PUBLISH A PROSPECTUS FOR SUCH OFFER.

ACCORDINGLY, ANY PERSON MAKING OR INTENDING TO MAKE AN OFFER IN THAT RELEVANT MEMBER STATE OF BONDS THAT ARE THE SUBJECT OF THE OFFERING CONTEMPLATED IN THIS PROSPECTUS MAY DO SO ONLY WITH RESPECT TO QUALIFIED INVESTORS WITHIN THE MEANING OF THE PROSPECTUS REGULATION. NEITHER WE NOR ANY UNDERWRITER HAS AUTHORIZED, NOR DO WE OR THEY AUTHORIZE, THE MAKING OF ANY OFFER OF BONDS OTHER THAN TO QUALIFIED INVESTORS WITHIN THE MEANING OF THE PROSPECTUS REGULATION.

ANY DISTRIBUTOR SUBJECT TO DIRECTIVE 2014/65/EU, AS AMENDED, THAT IS OFFERING, SELLING OR RECOMMENDING THE BONDS IS RESPONSIBLE FOR UNDERTAKING ITS OWN TARGET MARKET ASSESSMENT IN RESPECT OF THE BONDS AND DETERMINING APPROPRIATE DISTRIBUTION CHANNELS FOR THE PURPOSES OF THE MIFID PRODUCT GOVERNANCE RULES UNDER EU DELEGATED DIRECTIVE 2017/593.

EACH UNDERWRITER HAS REPRESENTED AND AGREED THAT IT HAS NOT OFFERED, SOLD OR OTHERWISE MADE AVAILABLE, AND WILL NOT OFFER, SELL OR OTHERWISE

MAKE AVAILABLE, ANY BONDS THAT ARE THE SUBJECT OF THE OFFERING CONTEMPLATED BY THIS PROSPECTUS TO ANY EEA RETAIL INVESTOR IN THE EUROPEAN ECONOMIC AREA. FOR PURPOSES OF THIS SECTION, THE EXPRESSION "OFFER" INCLUDES THE COMMUNICATION IN ANY FORM AND BY ANY MEANS OF SUFFICIENT INFORMATION ON THE TERMS OF THE OFFER AND THE BONDS SO AS TO ENABLE AN INVESTOR TO DECIDE TO PURCHASE OR SUBSCRIBE FOR THE BONDS.

Notice to Residents of the United Kingdom

THE BONDS ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY UK RETAIL INVESTOR IN THE UNITED KINGDOM. FOR THE PURPOSES OF THIS SECTION:

- THE EXPRESSION "UK RETAIL INVESTOR" MEANS A PERSON WHO IS ONE (OR MORE) OF THE FOLLOWING:
  - A RETAIL CLIENT AS DEFINED IN POINT (8) OF ARTICLE 2 OF REGULATION (EU) NO 2017/565 AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF THE EUWA; OR
  - A CUSTOMER WITHIN THE MEANING OF THE PROVISIONS OF THE FSMA AND ANY RULES OR REGULATIONS MADE UNDER THE FSMA TO IMPLEMENT DIRECTIVE (EU) 2016/97, WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT, AS DEFINED IN POINT (8) OF ARTICLE 2(1) OF REGULATION (EU) NO 600/2014 AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF THE EUWA; OR
  - NOT A QUALIFIED INVESTOR AS DEFINED IN ARTICLE 2 OF THE UK PROSPECTUS REGULATION; AND
- FOR PURPOSES OF THIS SECTION, THE EXPRESSION "OFFER" INCLUDES THE COMMUNICATION IN ANY FORM AND BY ANY MEANS OF SUFFICIENT INFORMATION ON THE TERMS OF THE OFFER AND THE BONDS TO BE OFFERED SO AS TO ENABLE AN INVESTOR TO DECIDE TO PURCHASE OR SUBSCRIBE FOR THE BONDS.

CONSEQUENTLY NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014 AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF THE EUWA FOR OFFERING OR SELLING THE BONDS OR OTHERWISE MAKING THEM AVAILABLE TO UK RETAIL INVESTORS IN THE UNITED KINGDOM HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE BONDS OR OTHERWISE MAKING THEM AVAILABLE TO ANY UK RETAIL INVESTOR IN THE UNITED KINGDOM MAY BE UNLAWFUL UNDER REGULATION (EU) NO 1286/2014 AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF THE EUWA. THIS PROSPECTUS HAS BEEN PREPARED ON THE BASIS THAT ANY OFFER OF BONDS IN THE UNITED KINGDOM WILL BE MADE PURSUANT TO AN EXEMPTION UNDER THE FSMA FROM THE REQUIREMENT TO PUBLISH A PROSPECTUS FOR OFFERS OF BONDS. THIS IS NOT A PROSPECTUS FOR THE PURPOSES OF THE UK PROSPECTUS REGULATION.

THIS PROSPECTUS AND ANY OTHER MATERIAL IN RELATION TO THE BONDS IS ONLY BEING DISTRIBUTED TO, AND IS DIRECTED ONLY AT, PERSONS IN THE UNITED KINGDOM WHO ARE QUALIFIED INVESTORS AS DEFINED IN THE UK PROSPECTUS REGULATION WHO ARE ALSO:

- INVESTMENT PROFESSIONALS FALLING WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED;

- HIGH NET WORTH ENTITIES OR OTHER PERSONS FALLING WITHIN ARTICLES 49(2)(A) TO (D) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED; OR
- PERSONS TO WHOM IT WOULD OTHERWISE BE LAWFUL TO DISTRIBUTE IT,

ALL SUCH PERSONS TOGETHER BEING REFERRED TO IN THIS PARAGRAPH AS RELEVANT PERSONS. THE BONDS ARE ONLY AVAILABLE TO, AND ANY INVITATION, OFFER OR AGREEMENT TO SUBSCRIBE, PURCHASE OR OTHERWISE ACQUIRE SUCH BONDS WILL BE ENGAGED IN ONLY WITH, RELEVANT PERSONS. ANY PERSON IN THE UNITED KINGDOM THAT IS NOT A RELEVANT PERSON SHOULD NOT ACT OR RELY ON THIS PROSPECTUS OR ITS CONTENTS. THE BONDS ARE NOT BEING OFFERED TO THE PUBLIC IN THE UNITED KINGDOM.

ANY DISTRIBUTOR SUBJECT TO THE FINANCIAL CONDUCT AUTHORITY HANDBOOK PRODUCT INTERVENTION AND PRODUCT GOVERNANCE SOURCEBOOK IS RESPONSIBLE FOR UNDERTAKING ITS OWN TARGET MARKET ASSESSMENT IN RESPECT OF THE BONDS AND DETERMINING APPROPRIATE DISTRIBUTION CHANNELS.

IN ADDITION, IN THE UNITED KINGDOM, EACH UNDERWRITER HAS REPRESENTED AND AGREED IN THE UNDERWRITING AGREEMENT THAT THE BONDS MAY NOT BE OFFERED OTHER THAN BY AN UNDERWRITER THAT:

- HAS ONLY COMMUNICATED OR CAUSED TO BE COMMUNICATED AND WILL ONLY COMMUNICATE OR CAUSE TO BE COMMUNICATED AN INVITATION OR INDUCEMENT TO ENGAGE IN INVESTMENT ACTIVITY (WITHIN THE MEANING OF SECTION 21 OF THE FSMA) RECEIVED BY IT IN CONNECTION WITH THE ISSUE OR SALE OF THE BONDS IN CIRCUMSTANCES IN WHICH SECTION 21(1) OF THE FSMA DOES NOT APPLY TO US; AND
- HAS COMPLIED AND WILL COMPLY WITH ALL APPLICABLE PROVISIONS OF THE FSMA WITH RESPECT TO ANYTHING DONE BY IT IN RELATION TO THE BONDS IN, FROM OR OTHERWISE INVOLVING THE UNITED KINGDOM.

Notice to Residents of Canada

THE BONDS MAY BE SOLD IN CANADA ONLY TO PURCHASERS PURCHASING, OR DEEMED TO BE PURCHASING, AS PRINCIPAL THAT ARE ACCREDITED INVESTORS, AS DEFINED IN NATIONAL INSTRUMENT 45-106 PROSPECTUS EXEMPTIONS OR SUBSECTION 73.3(1) OF THE SECURITIES ACT (ONTARIO), AND ARE PERMITTED CLIENTS, AS DEFINED IN NATIONAL INSTRUMENT 31-103 REGISTRATION REQUIREMENTS, EXEMPTIONS AND ONGOING REGISTRANT OBLIGATIONS. ANY RESALE OF THE BONDS MUST BE MADE IN ACCORDANCE WITH AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE PROSPECTUS REQUIREMENTS OF APPLICABLE SECURITIES LAWS.

SECURITIES LEGISLATION IN CERTAIN PROVINCES OR TERRITORIES OF CANADA MAY PROVIDE A PURCHASER WITH REMEDIES FOR RESCISSION OR DAMAGES IF THIS PROSPECTUS (INCLUDING ANY AMENDMENT THERETO) CONTAINS A MISREPRESENTATION, PROVIDED THAT THE REMEDIES FOR RESCISSION OR DAMAGES ARE EXERCISED BY THE PURCHASER WITHIN THE TIME LIMIT PRESCRIBED BY THE SECURITIES LEGISLATION OF THE PURCHASER'S PROVINCE OR TERRITORY. THE PURCHASER SHOULD REFER TO ANY APPLICABLE PROVISIONS OF THE SECURITIES LEGISLATION OF THE PURCHASER'S PROVINCE OR TERRITORY FOR PARTICULARS OF THESE RIGHTS OR CONSULT WITH A LEGAL ADVISOR.

PURSUANT TO SECTION 3A.3 OF NATIONAL INSTRUMENT 33-105 UNDERWRITING CONFLICTS, THE UNDERWRITERS ARE NOT REQUIRED TO COMPLY WITH THE DISCLOSURE REQUIREMENTS OF NATIONAL INSTRUMENT 33-105 UNDERWRITING CONFLICTS REGARDING UNDERWRITER CONFLICTS OF INTEREST IN CONNECTION WITH THIS OFFERING.

PROSPECTUS SUMMARY

This summary highlights some information from this prospectus. Because this is a summary, it does not contain all of the information that may be important to you. **You should read this prospectus in its entirety and carefully consider the Risk Factors beginning on page 20 of this prospectus before you decide whether to invest in the Bonds.**

Securities Offered:

$646,000,000 of Senior Secured Securitization Bonds, Series 2023A, issued in two tranches, and scheduled to pay principal semi-annually in accordance with the expected sinking fund schedule in this prospectus.

Tranche	Principal Amount
A-1	$250,000,000
A-2	$396,000,000

Issuing Entity and Capital Structure:

Consumers 2023 Securitization Funding LLC, a special purpose Delaware limited liability company. Consumers Energy is the Issuing Entity's sole member and owns all of its equity interests. The Issuing Entity has no commercial operations and was formed solely to purchase, own and administer the Securitization Property, to issue the Bonds and to perform activities incidental thereto, and the Issuing Entity's organizational documents prohibit it from engaging in any other activity except as specifically authorized by the Financing Order. See "*Description of the Issuing Entity*" in this prospectus.

The Issuing Entity will be capitalized with an upfront cash deposit by Consumers Energy of 0.50% of the initial aggregate principal amount of the Bonds issued (to be held in the Capital Subaccount described herein). There will also be an Excess Funds Subaccount, which will be used to retain, until the next applicable Payment Date, any amounts collected and remaining after all scheduled payments due on such Payment Date for the Bonds have been made.

Issuing Entity's Address and Telephone Number:

One Energy Plaza
Jackson, Michigan 49201
(517) 788-0550

The Depositor, Sponsor, Seller and Initial Servicer:

Consumers Energy is a public utility that owns and operates electric generation and distribution facilities and gas transmission, storage and distribution facilities. Consumers Energy is a wholly-owned subsidiary of CMS Energy Corporation, referred to in this prospectus as CMS Energy. As of September 30, 2023, Consumers Energy served approximately 1.9 million electric customers in Michigan. Consumers Energy's retail rates and certain other aspects of its business are subject to the jurisdiction of the MPSC. The Bonds do not constitute a debt, liability or other legal obligation of Consumers Energy.

Consumers Energy, acting as the Initial Servicer, and any successor Servicer, will service the Securitization Property securing the Bonds under a Servicing Agreement with the Issuing Entity. See "*Consumers Energy Company — The Depositor, Sponsor, Seller and Initial Servicer*" and "*The Servicing Agreement*" in this prospectus.

	Consumers Energy currently acts as servicer with respect to the Series 2014A Securitization Bonds issued by Consumers 2014 Securitization Funding LLC, which is a wholly-owned subsidiary of Consumers Energy. Please read "*Relationship to the Series 2014A Securitization Bonds*" in this prospectus.
Consumers Energy's Address and Telephone Number:	One Energy Plaza Jackson, Michigan 49201 (517) 788-0550
Indenture Trustee:	The Bank of New York Mellon. The Bank of New York Mellon also serves as the trustee for the Series 2014A Securitization Bonds. See "*Description of the Indenture Trustee*" in this prospectus for a description of the duties and responsibilities of the Indenture Trustee.
Purpose of Transaction:	This issuance of the Bonds will enable Consumers Energy to recover and refinance certain qualified costs eligible for recovery under the Statute. Please read "*The Statute and the Financing Order*" in this prospectus for additional information.
Transaction Overview:	The Statute allows the recovery of qualified costs by certain electric utilities through the issuance of securitization bonds. The Statute establishes a process to obtain a financing order under which the MPSC is allowed to authorize an electric utility (or its successors) to impose on its customers an irrevocable, Nonbypassable, securitization charge to fully recover qualified costs. The amount and terms for collections of these securitization charges are governed by one or more financing orders issued to an electric utility by the MPSC. The Statute permits an electric utility to transfer its rights and interests under a financing order, including the right to impose, collect and receive securitization charges, to a special purpose entity formed by the electric utility to issue securitization bonds secured by the right to receive revenues arising from the securitization charges. The electric utility's right to impose, collect, receive and adjust the securitization charges, and all revenue, collections, payments, money and proceeds arising out of the rights and interests created under the financing order, upon transfer to the issuing entity, constitute securitization property. References in this prospectus to the Financing Order mean the financing order issued by the MPSC in Case No. U-20889 on December 17, 2020, which is further described in this prospectus. Under the Financing Order, the MPSC authorized Consumers Energy to recover up to $688,300,000 of its Qualified Costs, consisting of up to the total amount of: • $677,700,000 of the unrecovered book value of D.E. Karn Units 1 and 2 coal-fired generation units; and • $10,600,000 of initial other Qualified Costs, referred to in this prospectus as the Initial Other Qualified Costs,

through the issuance of the Bonds. In accordance with the Financing Order, Securitization Charges shall be imposed for a period of not greater than eight years after the beginning of the first complete billing cycle during which the Securitization Charges were initially placed on any Customer's bill and shall be collected from Customers in amounts sufficient to pay principal and interest on the Bonds and Ongoing Other Qualified Costs.

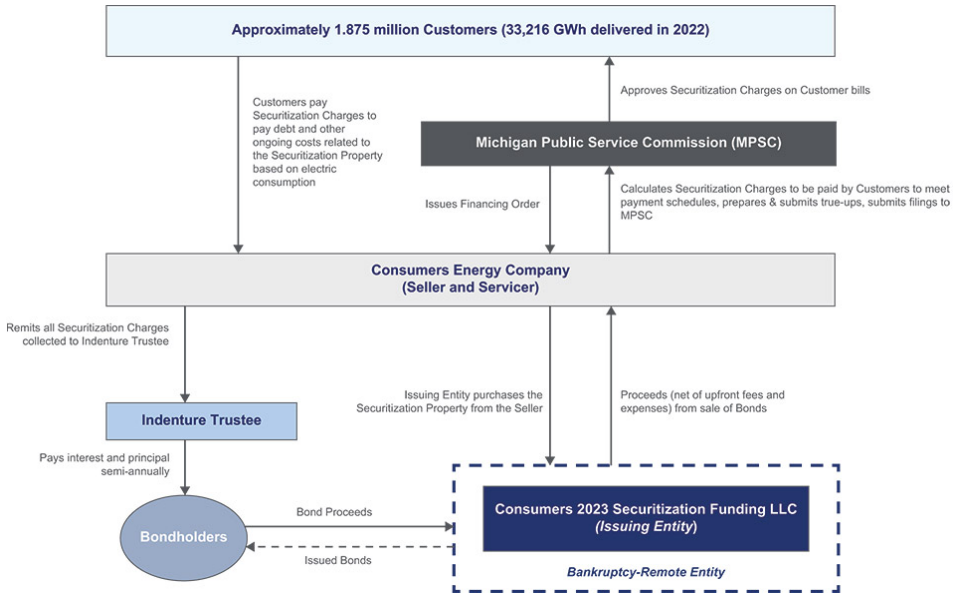
The primary transactions underlying the offering of the Bonds are as follows:

- Consumers Energy will sell the Securitization Property to the Issuing Entity in exchange for the net proceeds from the sale of the Bonds;
- the Issuing Entity will sell the Bonds, which will be secured primarily by the Securitization Property, to the underwriters; and
- Consumers Energy will act as the Initial Servicer of the Securitization Property.

The Bonds are not obligations of the Indenture Trustee, the Issuing Entity's Managers or Consumers Energy or any of its affiliates, other than the Issuing Entity. The Bonds are also not obligations of the State of Michigan or any county, municipality or other political subdivision of the State of Michigan, including the MPSC.

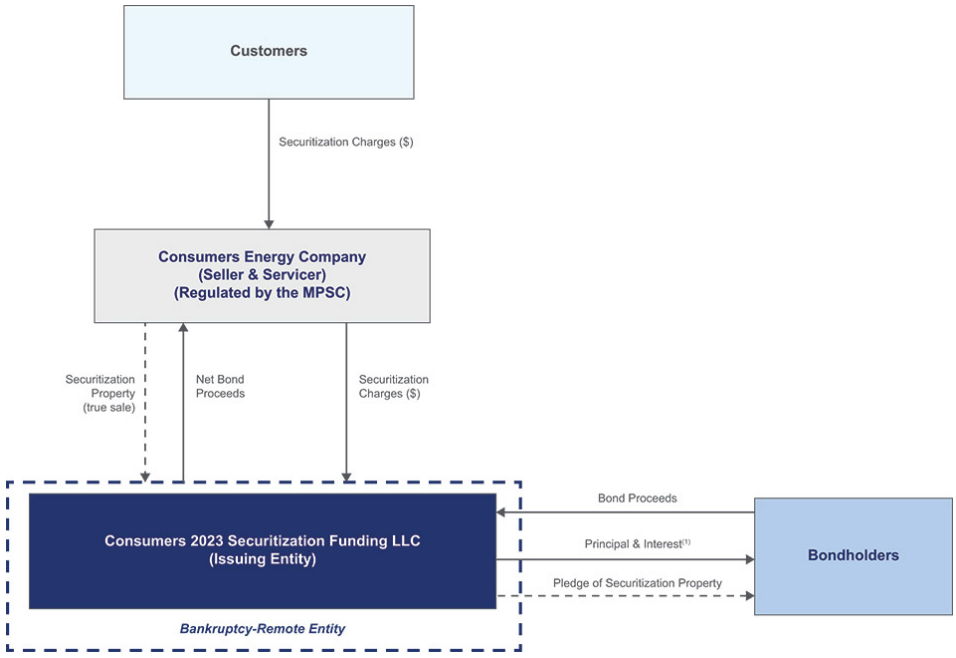
Diagram of Transaction:

The following diagram represents a general summary of parties to the transactions underlying the offering of the Bonds, their roles and their various relationships to other parties:



Flow of Funds:

The following diagram represents a general summary of the flow of funds of the Securitization Charges:



(1) Payments of principal and interest will follow payment of certain fees and operating expenses

Collateral:

The Bonds will be secured only by assets of the Issuing Entity. The Collateral securing the Bonds primarily consists of the Securitization Property. The Securitization Property is a present property right of the Issuing Entity created under the Statute by the Financing Order issued by the MPSC. The Collateral includes all of the Issuing Entity's right, title and interest (whether owned on the issuance date or thereafter acquired or arising) in and to the Securitization Property created under and pursuant to the Financing Order and the Statute that is transferred by the Seller to the Issuing Entity pursuant to the Sale Agreement, including, to the fullest extent permitted by law, the right to impose, collect and receive Securitization Charges, the right to obtain periodic adjustments, referred to in this prospectus as True-Up Adjustments, to the Securitization Charges as provided in the Financing Order and the Statute, and all revenue, collections, payments, money and proceeds arising out of the rights and interests created under the Financing Order.

The Collateral securing the Bonds also includes the Issuing Entity's rights under the Basic Documents governing the Bonds, and the Collection Account (and related subaccounts) held pursuant to the Indenture relating to the Bonds.

	Subject to certain conditions, the consent of 100% of the registered holders of the Bonds, referred to in this prospectus as Holders, is required to direct the Indenture Trustee to sell or liquidate the Collateral (other than pursuant to an Event of Default for failure to pay interest or principal at maturity). Please read "*Description of the Bonds — Events of Default; Rights Upon Event of Default*" in this prospectus. The Collateral for the Bonds will be separate from the collateral for the Series 2014A Securitization Bonds, which were issued by a different issuing entity from the Issuing Entity, and Holders of the Bonds will have no recourse to the collateral from that other issuance. Please read "*Security for the Bonds*" in this prospectus.
Collection Account and Subaccounts:	The Issuing Entity will establish the Collection Account to hold collections arising from the Securitization Charges as well as the capital contributions made to the Issuing Entity. The Collection Account will consist of three subaccounts: • the General Subaccount; • the Capital Subaccount; and • the Excess Funds Subaccount. The Capital Subaccount will be funded by Consumers Energy on or prior to the issuance of the Bonds through a capital contribution in an amount equal to 0.50% of the initial aggregate principal amount of the Bonds issued. All collections of Securitization Charges by the Servicer will be remitted into the General Subaccount. The Excess Funds Subaccount will receive deposits of any amounts attributable to the Qualified Costs remaining after payments of interest, scheduled principal, expenses and required deposits into the Capital Subaccount. Withdrawals from and deposits to these subaccounts will be made as described under "*Security for the Bonds — How Funds in the Collection Account will be Allocated*" in this prospectus.
Credit Ratings:	The Bonds are expected to receive credit ratings from two NRSROs. Please read "*Rating Information*" in this prospectus.
Payment Dates:	March 1 and September 1 of each year or, if not a Business Day, the next Business Day, including on the Scheduled Final Payment Date or Final Maturity Date for each tranche. The first Payment Date on which principal for a tranche of the Bonds is to be paid in accordance with the expected amortization schedule is September 1, 2024.
Interest Payments:	Interest is due on each Payment Date. Interest will accrue on a 30/360 basis at the rate per annum specified for such tranche in the table below:

Tranche	Interest Rate
A-1	5.55%
A-2	5.21%

If any Payment Date is not a Business Day, payments scheduled to be made on such date may be made on the next Business Day, and no interest shall accrue upon such payment during the intervening period.

The Issuing Entity will pay interest on each tranche of Bonds before it pays the principal of any tranche of Bonds. Please read "*Description of the Bonds — Principal Payments*" in this prospectus. If there is a shortfall in the amounts available in the Collection Account to make interest payments, the Indenture Trustee will distribute interest pro rata to each tranche of Bonds based on the amount of interest payable on each outstanding tranche.

Principal Payments: The Issuing Entity is scheduled to make payments of principal on each Payment Date and sequentially in accordance with the expected sinking fund schedule included in this prospectus.

Principal for each tranche is due upon the Final Maturity Date for that tranche.

Failure to make scheduled payments of principal on any Payment Date or the entire outstanding amount of Bonds of any tranche by the Scheduled Final Payment Date for that tranche will not result in an Event of Default with respect to any tranche. The failure to pay the entire outstanding principal balance of the Bonds of any tranche will result in an Event of Default only if such payment has not been made by the Final Maturity Date for such tranche.

Expected Weighted Average Life: The expected weighted average life for each tranche of Bonds is set forth in the table below:

Tranche	Expected Weighted Average Life (in years)
A-1	1.78
A-2	5.12

Scheduled Final Payment Date and Final Maturity Date: The Scheduled Final Payment Date and Final Maturity Date for each tranche of Bonds will be as set forth in the table below:

Tranche	Scheduled Final Payment Date	Final Maturity Date
A-1	3/1/2027	3/1/2028
A-2	9/1/2030	9/1/2031

Optional Redemption: None. The Issuing Entity will not be permitted to optionally redeem the Bonds at any time prior to maturity.

Mandatory Redemption: None. The Issuing Entity is not required to redeem the Bonds at any time prior to maturity.

Priority of Payments:	On each Payment Date, the Indenture Trustee will, solely at the written direction of the Servicer, apply all amounts on deposit in the Collection Account, including all investment earnings thereon, in the following priority: (1) amounts owed by the Issuing Entity to the Indenture Trustee (including legal fees and expenses and outstanding indemnity amounts) shall be paid to the Indenture Trustee in an amount not to exceed $250,000 per annum; provided, however, that such capped amount shall be disregarded and inapplicable following an Event of Default; (2) the servicing fee with respect to such Payment Date and any unpaid servicing fees for prior Payment Dates shall be paid to the Servicer; (3) the administration fee for such Payment Date shall be paid to the Administrator and the independent Manager fee for such Payment Date shall be paid to each independent Manager, and in each case with any unpaid administration fees or independent Manager fees from prior Payment Dates; (4) all other ordinary and periodic operating expenses of the Issuing Entity for such Payment Date not described above shall be paid to the parties to which such operating expenses are owed; (5) interest due on the Bonds for such Payment Date, including any overdue interest due on the Bonds, shall be paid to the Holders; (6) principal required to be paid on the Bonds on the Final Maturity Date of each tranche of the Bonds or as a result of an acceleration upon an Event of Default shall be paid to the Holders; (7) scheduled principal payments on the Bonds for such Payment Date, in accordance with the expected amortization schedule included in this prospectus, including any previously unpaid scheduled principal payments, shall be paid to the Holders, pro rata if there is a deficiency; (8) any other unpaid operating expenses (including any such fees, expenses and indemnity amounts owed to the Indenture Trustee but unpaid due to the limitation in clause (1) above) of the Issuing Entity and any remaining amounts owed pursuant to the Basic Documents shall be paid to the parties to which such operating expenses or remaining amounts are owed; (9) replenishment of the amount, if any, by which the Required Capital Level exceeds the amount in the Capital Subaccount as of such Payment Date shall be allocated to the Capital Subaccount; (10) as long as no Event of Default has occurred or is continuing, the investment earnings on deposit in the Capital Subaccount shall be paid to Consumers Energy;

(11) the balance, if any, shall be allocated to the Excess Funds Subaccount; and

(12) after the Bonds have been paid in full and discharged, and all of the other foregoing amounts have been paid in full, together with all amounts due and payable to the Indenture Trustee under the Indenture, the balance (including all amounts then held in the Capital Subaccount and the Excess Funds Subaccount), if any, shall be paid to the Issuing Entity, free from the lien of the Indenture.

If on any Payment Date, or, for any amounts payable under clauses (1) through (4) above, on any Business Day, funds on deposit in the General Subaccount are insufficient to make the payments contemplated by clauses (1) through (8) above, the Servicer will direct the Indenture Trustee to draw from amounts on deposit in the Excess Funds Subaccount and, if such amounts remain insufficient, then to draw from amounts on deposit in the Capital Subaccount. In addition, if on any Payment Date funds on deposit in the General Subaccount are insufficient to make the allocations contemplated by clause (9) above, the Servicer will direct the Indenture Trustee to draw from amounts on deposit in the Excess Funds Subaccount to make such allocations to the Capital Subaccount.

Relationship to the Series 2014A Securitization Bonds:

On July 22, 2014, Consumers Energy sold securitization property to its wholly-owned subsidiary Consumers 2014 Securitization Funding LLC, which issued and sold $378,000,000 aggregate principal amount of Series 2014A Securitization Bonds, all in accordance with a financing order issued by the MPSC on December 6, 2013 pursuant to the Statute. After giving effect to payments on the Series 2014A Securitization Bonds on the November 1, 2023 semi-annual payment date, the Series 2014A Securitization Bonds had $141,234,292.38 in aggregate principal amount outstanding, which was equal to the amount set forth in the expected amortization schedule for the Series 2014A Securitization Bonds. The Series 2014A Securitization Bonds were issued in three tranches. Tranche A-1 of the Series 2014A Securitization Bonds has been repaid in full. Tranche A-2 of the Series 2014A Securitization Bonds has a final legal maturity date of November 1, 2025, and Tranche A-3 of the Series 2014A Securitization Bonds has a final legal maturity date of May 1, 2029. The scheduled final payment date of Tranche A-2 of the Series 2014A Securitization Bonds is November 1, 2024, and the scheduled final payment date of Tranche A-3 of the Series 2014A Securitization Bonds is May 1, 2028. Consumers Energy currently acts as servicer with respect to the Series 2014A Securitization Bonds. Consumers 2014 Securitization Funding LLC will have no obligations under the Bonds, and the Issuing Entity has no obligations under the Series 2014A Securitization Bonds. The collateral for the Bonds will be separate from the collateral for the Series 2014A Securitization Bonds, which were issued by a different issuing entity from the Issuing Entity, and Holders of the Bonds will have no recourse to the collateral from that other issuance. Please read "*Relationship to the Series 2014A Securitization Bonds*" in this prospectus.

	Securitization Charges relating to the Bonds and securitization charges relating to the Series 2014A Securitization Bonds will be collected through single bills to individual retail electric distribution customers. In the event a retail electric distribution customer does not pay in full all amounts owed under any bill, including securitization charges, Consumers Energy, as servicer, is required to allocate any resulting shortfalls in securitization charges ratably based on the amounts of Securitization Charges owing in respect of the Bonds, amounts owing in respect to the Series 2014A Securitization Bonds, and any amounts owing to any subsequently created affiliate of Consumers Energy that issues securitization bonds. Please read "*Relationship to the Series 2014A Securitization Bonds*" in this prospectus.
Initial Securitization Charges as a Percentage of Customer's Total Electricity Bill:	The initial Securitization Charge is expected to represent approximately 3.5% of the total electricity bill, as of September 30, 2023, received by a 659 kWh residential customer of Consumers Energy. When combined with the securitization charges for the Series 2014A Securitization Bonds, the cumulative securitization charges would be expected to represent approximately 4.0% of the total electricity bill, as of September 30, 2023, received by a 659 kWh residential customer of Consumers Energy.
True-Up Adjustments to the Securitization Charges:	The Statute and the Financing Order mandate that the Securitization Charges be reviewed and adjusted by the MPSC at least annually to correct any overcollections or undercollections of the preceding 12 months and to ensure the expected recovery during the succeeding annual period of amounts required for the timely payment of debt service and other required amounts and charges in connection with the Bonds. True-Up Adjustments may also be made by the Servicer semi-annually or more frequently at any time, without limits as to frequency, if the Servicer determines that a True-Up Adjustment is necessary to ensure the expected recovery during the succeeding annual period of amounts required for the timely payment of debt service and other required amounts and charges in connection with the Bonds. The Servicing Agreement will require Securitization Charges to be adjusted quarterly following the Scheduled Final Payment Date for each tranche of Bonds if there are any remaining amounts due. The Financing Order provides that semi-annual or more frequent true-ups may be implemented absent an MPSC order, unless contested. Any contest of any True-Up Adjustment shall be subject only to confirmation of the mathematical computations contained in the proposed True-Up Adjustment. Please read "*The Statute and the Financing Order — True-Up Mechanism*" in this prospectus. In the Financing Order, the MPSC affirms that it will act pursuant to the Financing Order to ensure that expected Securitization Charges are sufficient to pay on a timely basis all scheduled payments of principal of and interest on the Bonds and Ongoing Other Qualified Costs in connection with the Bonds.
Nonbypassable Securitization Charges:	The Statute provides that the Securitization Charges are Nonbypassable, and the Financing Order requires the imposition and collection of Securitization Charges from Customers.

	Any successor to Consumers Energy under the Statute, whether pursuant to any bankruptcy, reorganization or other insolvency proceeding or pursuant to any merger, acquisition, sale or transfer, by operation of law, as a result of electric utility restructuring or otherwise, must perform and satisfy all obligations of Consumers Energy under the Statute and the Financing Order, including the collection of Securitization Charges.
Credit Enhancement:	Credit enhancement for the Bonds will be provided by the True-Up Mechanism, as well as the Capital Subaccount. The primary purpose of the Excess Funds Subaccount is not to provide credit enhancement for the Bonds. However, amounts in the Excess Funds Subaccount may be used to make debt service payments on the Bonds if needed.
Servicing Fees:	Consumers Energy, as Servicer, will receive an annual servicing fee equal to 0.05% of the initial aggregate principal amount of the Bonds. In the event that a successor Servicer is appointed that is not Consumers Energy or any of its affiliates, a higher annual servicing fee of up to 0.75% of the initial aggregate principal amount of the Bonds will be payable to the successor Servicer. Additionally, the Servicer will be entitled to reimbursement by the Issuing Entity for filing fees and fees and expenses for attorneys, accountants, printing or other professional services retained by the Issuing Entity and paid for by the Servicer (or procured by the Servicer on behalf of the Issuing Entity and paid for by the Servicer) to meet the Issuing Entity's obligations under the agreements governing the Bonds.
Michigan State Pledge:	The State of Michigan has pledged in the Statute, for the benefit and protection of the Holders, including trustees, collateral agents and other persons acting for the benefit of the Holders, referred to in this prospectus as the Financing Parties, under the Financing Order and Consumers Energy, that it will not take or permit any action that would impair the value of the Securitization Property, reduce or alter, except as allowed in connection with a True-Up Adjustment, or impair the Securitization Charges to be imposed, collected and remitted, until the principal, interest and premium, if any, and any other charges incurred and contracts to be performed, in connection with the Bonds have been paid and performed in full. Michigan has both a voter initiative and a referendum process. The time for challenging the Statute through a referendum has expired, but the right of voters in Michigan to enact laws by initiative can be exercised at any time, provided a prescribed process is followed and successfully concluded. Constitutional protections against actions that violate the pledge of the State of Michigan should apply whether legislation is passed by the Michigan legislature or is brought about by a voter initiative. The Bonds are not a debt or obligation of the State of Michigan and are not a charge on its full faith and credit or taxing power. Please read "*The Statute and the Financing Order — Electric Utilities May Securitize Qualified Costs*" in this prospectus.

Minimum Denominations:	The Issuing Entity will issue the Bonds in minimum denominations of $2,000 and in integral multiples of $1,000 in excess thereof, although one bond of each tranche may be of a smaller denomination.
Use of Proceeds:	The net proceeds of this offering are estimated to be approximately $638,670,349, after deducting underwriting discounts and commissions and initial costs of the transaction. The Issuing Entity will use the net proceeds from the sale of the Bonds to purchase the Securitization Property from the Seller. Consumers Energy, the Seller, will apply the proceeds of the sale of the Securitization Property in accordance with the Financing Order, as required by the Statute. The Financing Order approves proceeds to be applied for the following uses: • to pay initial Qualified Costs incurred in connection with the issuance of the Bonds; • to reimburse Consumers Energy for Qualified Costs, all of which shall have been incurred at the time of issuance of the Bonds; and • to refinance or retire a portion of debt or equity of Consumers Energy in accordance with the Statute.
1940 Act Registration:	The Issuing Entity will be relying on an exclusion or exemption from the definition of "investment company" under the Investment Company Act of 1940, as amended, referred to in this prospectus as the 1940 Act, contained in Rule 3a-7 promulgated under the 1940 Act, although there may be additional exclusions or exemptions available to the Issuing Entity. The Issuing Entity is being structured so as not to constitute a "covered fund" for purposes of the Volcker Rule under the Dodd-Frank Wall Street Reform and Consumer Protection Act, referred to in this prospectus as the Dodd-Frank Act.
Credit Risk Retention:	The Bonds are not subject to the 5% risk retention requirements imposed by Section 15G of the Exchange Act due to the exemption provided in Rule 19(b)(8) of the risk retention regulations in 17 C.F.R. Part 246 of the Exchange Act, referred to in this prospectus as Regulation RR. For information regarding the requirements of European legislation comprising Regulation (EU) 2017/2402, as amended, referred to in this prospectus as the EU Securitization Regulation, as to risk retention and other matters, please read "*Risk Factors — Other Risks Associated with the Purchase of the Bonds — Regulatory provisions affecting certain investors could adversely affect the liquidity and the regulatory treatment of investments in the Bonds*" in this prospectus.
Federal Income Tax Status:	In the opinion of Pillsbury Winthrop Shaw Pittman LLP, counsel to the Issuing Entity and Consumers Energy, for United States federal income tax purposes, the Bonds will constitute indebtedness of Consumers Energy, the sole member of the Issuing Entity. If you purchase a beneficial interest in any Bonds, you agree by your purchase to treat the Bonds as debt of Consumers Energy for United States federal income tax purposes.

ERISA Considerations:	Employee benefit plans, plans and other investors subject to the Employee Retirement Income Security Act of 1974, as amended, referred to in this prospectus as ERISA, Section 4975 of the Internal Revenue Code of 1986, as amended, referred to in this prospectus as the Code, or Similar Law, may acquire the Bonds subject to specified conditions. The acquisition, holding and disposition of the Bonds could be treated as a direct or indirect prohibited transaction under ERISA and/or Section 4975 of the Code or, in the case of a plan subject to Similar Law, a violation of Similar Law. Accordingly, by purchasing the Bonds, each investor purchasing on behalf of such a plan will be deemed to certify that the purchase, holding and disposition of the Bonds will not constitute or result in a non-exempt prohibited transaction under ERISA or Section 4975 of the Code or, in the case of a plan subject to Similar Law, will not constitute or result in a violation of Similar Law. Please read "*ERISA Considerations*" in this prospectus.
Expected Settlement:	On or about December 12, 2023, settling through DTC, Clearstream Banking, Luxembourg, S.A., and Euroclear Bank SA/NV, as operator of the Euroclear System, without the payment of accrued interest.

SUMMARY OF RISK FACTORS

Set forth below is a summary of the principal risk factors that you should consider before deciding whether to invest in the Bonds. These risks can affect the timing or ultimate payment of and value of your Bonds. A more detailed description of these and other risk factors follows this summary.

Risk Associated with Limited Source of Funds for Payment: The only source of funds for the Bonds will be the Issuing Entity's assets, which consist of the Securitization Property, the funds held pursuant to the Indenture and the Issuing Entity's rights under various contracts described in this prospectus. The Bonds will be non-recourse obligations, secured only by the Collateral. You must rely for payment of the Bonds solely upon the Statute, state and federal constitutional rights arising from and to enforce the State Pledge, the irrevocable Financing Order, collections of the Securitization Charges and funds on deposit in the Collection Account (including the subaccounts thereof) held pursuant to the Indenture.

Risks Associated with Potential Judicial, Legislative or Regulatory Actions: The Securitization Property is created pursuant to the Statute and the Financing Order issued to Consumers Energy by the MPSC. Neither the Issuing Entity nor Consumers Energy will indemnify you for any changes in the law, whether effected by means of any legislative enactment, any constitutional amendment or any final and non-appealable judicial decision. In addition, the MPSC retains the power to adopt, revise or rescind rules or regulations affecting Consumers Energy and might take certain actions that impair the Securitization Property. Also, True-Up Adjustment procedures may be challenged in the future, which might materially delay Securitization Charge collections.

Risks Associated with Servicing: If the Servicer inaccurately forecasts electricity consumption or demand or underestimates customer delinquencies or charge-offs, there could be a shortfall or a material delay in collections of Securitization Charges. Factors that might cause inaccurate forecasting of electricity consumption or demand or customer delinquencies or charge-offs include unanticipated weather or economic conditions, general economic conditions, including an economic downturn caused by a catastrophe, a pandemic (or other health-related event) or a global or geopolitical event, the occurrence of a natural disaster, fires, smoke, or an act of war or terrorism, cyberattacks or other catastrophic event. The Servicer's ability to collect Securitization Charges from Customers may also be impacted by some of these same factors.

If Consumers Energy ceases to service the Securitization Property related to the Bonds, it might be difficult to find a successor Servicer. Any successor Servicer might have less experience and ability than Consumers Energy and might experience difficulties in collecting Securitization Charges and determining appropriate adjustments to the Securitization Charges and billing and/or payment arrangements may change, resulting in delays or disruptions of collections. A successor Servicer might only be willing to perform such services for fees higher than those approved in the Financing Order or might charge fees that, although permitted under the Financing Order, are substantially higher than the fees paid to Consumers Energy as Servicer.

Risks Associated with the Unusual Nature of the Securitization Property: In the event of foreclosure, there is likely to be a limited market, if any, for the Securitization Property. Therefore, foreclosure might not be a realistic or practical remedy. Moreover, although principal of the Bonds will be due and payable upon acceleration of the Bonds before maturity, payment of the Securitization Charges by Customers likely would not be accelerated and the nature of the Issuing Entity's business will result in principal of the Bonds being paid as funds become available.

Risk Associated with Natural Disasters: The potential disruption of Consumers Energy's operations due to storms, natural disasters or other catastrophic events could be substantial. Generation, transmission, distribution and consumption of electricity might be interrupted temporarily, reducing the collections of Securitization Charges.

Risks Associated with Potential Bankruptcy Proceedings: In the event of a bankruptcy of Consumers Energy, you may experience a delay in payment or losses on the Bonds due to various factors, including the comingling of Securitization Charges with other funds of the Servicer, an assertion that the sale of the Securitization Property was a financing transaction, a decision or order by a bankruptcy court that the assets of the Issuing Entity and Consumers Energy should be substantively consolidated, a holding by a bankruptcy court that the remittance of funds prior to bankruptcy of the Servicer constitutes a preference

under bankruptcy law, the Bonds representing only unsecured claims against Consumers Energy, and other impacts of the bankruptcy process, such as an automatic stay.

Other Risks Associated with the Purchase of the Bonds: Other risks associated with the purchase of the Bonds include the possible insufficiency of any indemnification obligations provided by Consumers Energy, the impact of an unsolicited rating, the absence of a secondary market for the Bonds, regulatory provisions affecting certain investors, and losses on investments of funds held pursuant to the Indenture.

RISK FACTORS

You should consider carefully all the information included in this prospectus, including the following factors, which might negatively impact the Issuing Entity's ability to pay interest on, and the principal amount of, the Bonds and result in a reduction in the market value of your investment in the Bonds, before you decide whether to invest in the Bonds:

Risk Associated with Limited Source of Funds for Payment

You may experience material payment delays or incur a loss on your investment in the Bonds because the source of funds for payment is limited.

The only source of funds for payments of interest on and principal of the Bonds will be the Issuing Entity's assets, which consist of:

- the Securitization Property securing the Bonds, which constitutes the right to impose, collect and receive Securitization Charges as provided in the Financing Order, the right to obtain True-Up Adjustments of the Securitization Charges as provided in the Financing Order and the Statute, and all revenues or other proceeds arising from those rights and interests;
- the funds on deposit in the Collection Account (including subaccounts thereof) held pursuant to the Indenture; and
- the Issuing Entity's rights under various contracts described in this prospectus.

The Bonds are not a debt or liability of the State of Michigan and are not a charge on its full faith and credit or taxing power, nor will the Bonds be insured or guaranteed by Consumers Energy, including in its capacity as Sponsor, Depositor, Seller or Servicer, or by its parent company, CMS Energy, any of their respective affiliates (other than the Issuing Entity), the Indenture Trustee or any other Person. The Bonds will be non-recourse obligations, secured only by the Collateral. Delays in payment on the Bonds might result in a reduction in the market value of the Bonds and, therefore, the value of your investment in the Bonds.

Thus, you must rely for payment of the Bonds solely upon the Statute, state and federal constitutional rights arising from and to enforce the State Pledge, the irrevocable Financing Order, collections of the Securitization Charges and funds on deposit in the Collection Account (including subaccounts thereof) held pursuant to the Indenture. If these amounts are not sufficient to make payments or there are delays in recoveries, you may experience material payment delays or incur a loss on your investment in the Bonds. The organizational documents of the Issuing Entity restrict the Issuing Entity's right to acquire other assets unrelated to the transactions described in this prospectus. Please read "*Description of the Issuing Entity*" in this prospectus.

Risks Associated with Potential Judicial, Legislative or Regulatory Actions

Neither the Issuing Entity nor Consumers Energy is obligated to indemnify you for changes in law.

Neither the Issuing Entity nor Consumers Energy will indemnify you for any changes in the law, including any federal preemption or repeal or amendment of the Statute that may affect the value of your Bonds. Consumers Energy will agree in the Sale Agreement and the Servicing Agreement to institute any action or proceeding as may be reasonably necessary to block or overturn any attempts to cause a repeal, modification or amendment to the Statute that would be materially adverse to the Issuing Entity, the Indenture Trustee or the Holders. However, Consumers Energy may not be able to take such action and, if Consumers Energy does take action, such action may not be successful. Although Consumers Energy or any successor assignee might be required to indemnify the Issuing Entity if legal action based on the law in effect at the time of the issuance of the Bonds invalidates the Securitization Property, such indemnification obligations do not apply for any changes in law after the date the Bonds are issued, whether such changes in law are effected by means of any legislative enactment, any constitutional amendment or any final and non-appealable judicial decision. See "*The Sale Agreement — Seller Representations and Warranties*" and "*The Servicing Agreement — Servicing Standards and Covenants*" in this prospectus.

Future judicial action could reduce the value of your investment in the Bonds.

The Securitization Property securing the Bonds is created pursuant to the Statute and the Financing Order issued to Consumers Energy by the MPSC pursuant to the Statute. There is uncertainty associated with investing in bonds payable from an asset that depends for its existence on legislation because there is limited judicial or regulatory experience implementing and interpreting the legislation. Because the Securitization Property is a creation of the Statute, any judicial determination affecting the validity of or interpreting the Statute, the Securitization Property or the Issuing Entity's ability to make payments on the Bonds might have an adverse effect on the Bonds. A federal or state court could be asked in the future to determine whether the relevant provisions of the Statute are unlawful or invalid. If the Statute is invalidated, the Financing Order might also be invalidated.

Other states have passed legislation similar to the Statute to authorize recoveries by utilities of specified costs, such as costs associated with deregulation of the electricity market, environmental control costs or hurricane recovery costs, and some of those laws have been challenged by judicial actions or utility commission proceedings. To date, none of those challenges has succeeded, but future challenges might be made. An unfavorable decision challenging legislation similar to the Statute would not automatically invalidate the Statute or the Financing Order, but it might provoke a challenge to the Statute or the Financing Order, establish a legal precedent for a successful challenge to the Statute or the Financing Order or heighten awareness of the political and other risks of the Bonds, and in that way may limit the liquidity and value of the Bonds. Therefore, legal activity in other states might indirectly affect the value of your investment in the Bonds.

If an invalidation of any relevant underlying legislative provision or Financing Order provision were to result from such litigation, you might lose some or all of your investment or you might experience delays in recovering your investment.

Future Michigan legislative action might attempt to invalidate the Bonds or the Securitization Property and reduce the value of your investment.

Under the Statute, the State of Michigan has pledged, for the benefit and protection of the Holders, including Financing Parties, under the Financing Order and Consumers Energy, that it will not take or permit any action that would impair the value of the Securitization Property, reduce or alter, except as allowed in connection with a True-Up Adjustment, or impair the Securitization Charges to be imposed, collected and remitted to the Financing Parties, until the principal, interest and premium, if any, and any other charges incurred and contracts to be performed, in connection with the Bonds have been paid and performed in full. For a more detailed description of the State Pledge, see "*The Statute and the Financing Order*" in this prospectus. Despite the State Pledge, the Michigan legislature might attempt to repeal the Statute, or attempt to amend the Statute, or, as described below, the MPSC might take certain actions that impair the Securitization Property. It might be possible for the Michigan legislature to repeal or amend the Statute notwithstanding the State Pledge if the legislature acts in order to serve a significant and legitimate public purpose. Any of these actions, as well as the costly and time-consuming litigation that likely would ensue as a result of such actions, might adversely affect the price and liquidity of, the dates of payment of interest on and principal of, and the weighted average lives of, the Bonds. Moreover, the outcome of any litigation cannot be predicted. Accordingly, you might incur a loss on or delay in recovery of your investment in the Bonds.

If an action of the Michigan legislature adversely affecting the Securitization Property or the ability to collect Securitization Charges were considered a taking under the United States or Michigan Constitutions, the State of Michigan might be obligated to pay compensation for the taking. However, even in that event, there is no assurance that any amount provided as compensation would be sufficient for you to recover fully your investment in the Bonds or to offset interest lost pending that recovery.

Under the Michigan Constitution, the Michigan electorate has the power of initiative, which gives the electorate the ability to propose laws and to enact and repeal laws that the legislature has the power otherwise to enact. Among other requirements, qualifying an initiative for an election requires petitions signed by registered electors constituting at least 8% of the total votes cast for governor at the immediately preceding general election at which a governor was elected. An initiative proposal that is not subsequently approved by

the legislature will become effective only if it is approved by a majority of the electors voting at the next general election. As of the date of this prospectus, no voter initiative or petition affecting the Bonds was pending or certified, and neither the Issuing Entity nor Consumers Energy is aware of any efforts to circulate petitions for action.

The enforcement of any rights against the State of Michigan or the MPSC under the State Pledge may be subject to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against state and local governmental entities in Michigan. These limitations might include, for example, the necessity to exhaust administrative remedies prior to bringing suit in a court or limitations on type and locations of courts in which the State of Michigan or the MPSC may be sued.

Except as described in "*The Sale Agreement — Indemnification*" in this prospectus, neither the Issuing Entity, Consumers Energy, nor any of its successors, assignees or affiliates will indemnify you for any change in law, including any amendment or repeal of the Statute, that might affect the value of the Bonds.

The federal government might preempt the Statute without full compensation.

Federal preemption of the Statute could prevent Holders from receiving payments on the Bonds. In the past, bills have been introduced in Congress to prohibit the recovery of charges similar to the Securitization Charges, although Congress has not enacted any law to that effect. As of the date of this prospectus, neither the Issuing Entity nor Consumers Energy is aware of the House or the Senate, or any of their committees having primary relevant jurisdiction, having considered legislation that would prohibit the recovery of charges similar to the Securitization Charges. However, we can give no assurances that Congress may not do so in the future. Enactment of a federal law prohibiting the recovery of charges similar to the Securitization Charges might have the effect of preempting the Statute and thereby prohibiting the recovery of the Securitization Charges, which would cause delays and losses on payments on the Bonds.

The Issuing Entity can give no assurances that a court would consider the preemption by federal law of the Statute to be a taking of property from the Issuing Entity or the Holders under the U.S. Constitution or under the Constitution of the State of Michigan. Moreover, even if this preemption of the Statute by the federal government were considered a taking under the U.S. Constitution or under the Constitution of the State of Michigan for which the federal government had to pay just compensation, the Issuing Entity can give no assurance that this compensation would be sufficient to pay the full amount of principal of and interest on the Bonds or to pay those amounts on a timely basis.

The MPSC might attempt to take actions that could reduce the value of your investment in the Bonds.

The Statute provides that the Financing Order together with the Securitization Charges authorized in the Financing Order are irrevocable and that the MPSC may not impair, reduce or alter, except for the True-Up Adjustments, the Securitization Charges authorized under the Financing Order. However, the MPSC retains the power to adopt, revise or rescind rules or regulations affecting Consumers Energy. The MPSC also retains the power to interpret the Financing Order granted to Consumers Energy, and in that capacity might be called upon to rule on the meanings of provisions of the Financing Order that might need further elaboration. Any new or amended regulations or orders from the MPSC might attempt to affect the ability of the Servicer to collect the Securitization Charges in full and on a timely basis, affecting the amortization of the Bonds and their weighted average lives, and, accordingly, the rating of the Bonds or their price. However, in the Financing Order, the MPSC affirmed that it shall not reduce, impair, postpone, terminate or otherwise adjust the Securitization Charges approved in the Financing Order or impair the Securitization Property or the collection of Securitization Charges or the recovery of the Qualified Costs and Ongoing Other Qualified Costs and that it will act pursuant to the Financing Order to ensure that the expected Securitization Charges are sufficient to pay on a timely basis scheduled payments of principal of and interest on the Bonds issued pursuant to the Financing Order and the Ongoing Other Qualified Costs in connection with the Bonds.

Consumers Energy, as Servicer, is required to file with the MPSC, on our behalf, certain True-Up Adjustments of the Securitization Charges. Please read "*The Statute and the Financing Order — True-Up Mechanism*" and "*The Servicing Agreement — True-Up Mechanism*" in this prospectus. True-Up Adjustment procedures may be challenged in the future. Challenges to or delays in the True-Up Mechanism might

adversely affect the market perception and valuation of the Bonds. Also, any litigation might materially delay Securitization Charge collections due to delayed implementation of True-Up Adjustments and might result in missing payments or payment delays and lengthened weighted average life of the Bonds.

Risks Associated with Servicing

Inaccurate consumption or collection forecasting might reduce scheduled payments on the Bonds.

The Securitization Charges are assessed based on kilowatt-hours, referred to in this prospectus as kWh, of electricity consumed by customers. The amount and rate of collections of Securitization Charges will depend in part on actual electricity consumption and demand and the amount of collections and write-offs for each Securitization Rate Class. If the Servicer inaccurately forecasts electricity consumption or demand or underestimates customer delinquencies or charge-offs when setting or adjusting the Securitization Charges, there could be a shortfall or a material delay in collections of Securitization Charges, which might result in missed or delayed payments of principal and interest and lengthened weighted average life of the Bonds. See "*The Servicing Agreement — True-Up Mechanism*" in this prospectus.

Inaccurate forecasting of electricity consumption or demand by the Servicer could result from, among other things:

- unanticipated weather, including catastrophic weather-related damage and extreme temperatures, or economic conditions, resulting in less electricity consumption or demand than forecasted;
- general economic conditions, including an economic downturn caused by a catastrophe, a pandemic (or other heath-related event) or a global or geopolitical event, causing customers to migrate from Consumers Energy's service territory or reduce their electricity consumption or demand;
- the occurrence of a natural disaster, fires, smoke, or an act of war or terrorism, cyberattacks, or other catastrophic event, including pandemics, unexpectedly disrupting electrical service and reducing electricity consumption or demand;
- unanticipated changes in the market structure of the electric industry;
- large customers unexpectedly ceasing to do business or leaving Consumers Energy's service territory;
- customers consuming less electricity than anticipated because of increased energy prices, unanticipated increases in conservation efforts or unanticipated increases in electric consumption efficiency;
- differences or changes in forecasting methodology; or
- customers unexpectedly switching to alternative sources of energy, including self-generation of electric power.

Inaccurate forecasting of delinquencies or charge-offs by the Servicer could result from, among other things:

- unexpected deterioration of the economy, the occurrence of a natural disaster, an act of war or terrorism or other catastrophic events, including pandemics, causing greater charge-offs than expected or forcing Consumers Energy or a successor distribution company to grant additional payment relief to more customers;
- an unexpected change in law or actions taken by the MPSC that make it more difficult for Consumers Energy or a successor distribution company to disconnect nonpaying customers or that requires Consumers Energy or a successor distribution company to apply more lenient credit standards in accepting customers; or
- the introduction into the energy markets, as a result of a fundamental change in the regulation of electric utilities in Michigan, of less creditworthy third-party energy suppliers that are permitted to collect payments arising from the Securitization Charges, but who may fail to remit collections to the Servicer in a timely manner.

Your investment in the Bonds depends on Consumers Energy or its successors or assignees acting as Servicer of the Securitization Property.

Consumers Energy, as Servicer, will be responsible for, among other things, calculating, billing, collecting and posting the Securitization Charges from Customers, submitting requests to the MPSC to adjust these charges, monitoring the Collateral for the Bonds and taking certain actions in the event of non-payment by a Customer. The Indenture Trustee's receipt of collections in respect of the Securitization Charges, which will be used to make payments on the Bonds, will depend in part on the skill and diligence of the Servicer in performing these functions. The systems that the Servicer has in place for Securitization Charge billings, collections and postings, as the same may be modified by any applicable current or future MPSC Regulations, might, in particular circumstances, cause the Servicer to experience difficulty in performing these functions in a timely and accurate manner. In addition, should the Servicer enter into bankruptcy, to the extent permitted by law or the bankruptcy court, it may stop acting as Servicer, which may result in the disruption of collection of the Securitization Charges. If the Servicer fails to make collections for any reason, then the Servicer's payments to the Indenture Trustee in respect of the Securitization Charges might be delayed or reduced. In that event, the Issuing Entity's payments on the Bonds might be delayed or reduced.

Consumers Energy's operations are subject to risks beyond its control, including cyber incidents, physical security threats, and terrorism, which could limit Consumers Energy's operations and ability to service the Securitization Property.

Consumers Energy operates in an industry that requires the continued operation of sophisticated information and control technology systems and network infrastructure, which control an interconnected system of generation, distribution and transmission systems shared with third parties. Consumers Energy's technology systems are vulnerable to disability or failures due to cyber incidents, physical security threats, acts of war or terrorism, and other causes, as well as loss of operational control of Consumers Energy's electric generation and distribution assets.

Information security risks have increased in recent years as a result of the proliferation of new technologies and the increased sophistication and frequency of cyberattacks, and data security breaches. Suppliers, vendors, contractors, and information technology providers have access to systems that support Consumers Energy's operations and maintain customer and employee data. A breach of these third-party systems, such as at another utility, electric generator, system operator or commodity supplier, could adversely affect the business as if it was a breach of Consumers Energy's own system. In addition, Consumers Energy's generation and electrical distribution facilities may be targets of physical security threats or terrorist activities that could disrupt Consumers Energy's ability to operate.

Consumers Energy has been subject to attempted cyberattacks from time to time, but these attacks have not had a material impact on its system or business operations. A successful physical or cyber security intrusion may occur despite Consumers Energy's security measures or those that it requires its vendors to take, which include compliance with reliability standards and critical infrastructure protection standards. Despite the implementation of security measures, all assets and systems are potentially vulnerable to disability, failures, or unauthorized access due to physical or cyber security intrusions caused by human error, vendor bugs, terrorist attacks, or other malicious acts.

If Consumers Energy's assets or systems were to fail, be physically damaged, or be breached, and were not recovered in a timely manner, Consumers Energy may be unable to perform critical business functions, including the distribution of electricity and the metering and billing of customers, all of which could materially affect Consumers Energy's ability to bill and collect Securitization Charges or otherwise service the Securitization Property.

If the Issuing Entity needs to replace Consumers Energy as the Servicer, the Issuing Entity may experience difficulties finding and using a replacement Servicer.

Under certain circumstances, Consumers Energy may resign as Servicer, or the Indenture Trustee or certain Holders may remove Consumers Energy as Servicer. See "*The Servicing Agreement — Matters Regarding the Servicer*" and "*The Servicing Agreement — Rights When Servicer Defaults*" in this prospectus.

If Consumers Energy ceases to service the Securitization Property related to the Bonds, it might be difficult to find a successor Servicer. Also, any successor Servicer might have less experience and ability than Consumers Energy and might experience difficulties in collecting Securitization Charges and determining appropriate adjustments to the Securitization Charges and billing and/or payment arrangements may change, resulting in delays or disruptions of collections. A successor Servicer might only be willing to perform such services for fees higher than those approved in the Financing Order or might charge fees that, although permitted under the Financing Order, are substantially higher than the fees paid to Consumers Energy as Servicer. Although a True-Up Adjustment may be required to allow for the increase in fees, there could be a gap between the incurrence of those fees and the implementation of the True-Up Adjustment to adjust for that increase that might adversely affect distributions. In addition, in the event of the commencement of a case by or against the Servicer under Title 11 of the United States Code, as amended, referred to in this prospectus as the Bankruptcy Code, or similar laws, the Issuing Entity and the Indenture Trustee might be prevented from effecting a transfer of servicing due to operation of the Bankruptcy Code. Any of these factors might delay the timing of payments and reduce the value of your investment.

Consumers Energy has sold certain securitization property (which is separate from the Securitization Property described in this prospectus) to Consumers 2014 Securitization Funding LLC. Under the Intercreditor Agreement to be entered into at the time of issuance of the Bonds among Consumers Energy, the Issuing Entity, the Indenture Trustee, Consumers 2014 Securitization Funding LLC and the trustee for the Series 2014A Securitization Bonds, replacement of the Servicer would require the agreement of the Indenture Trustee and the trustee for the Series 2014A Securitization Bonds. In the event of a default by the Servicer under the Servicing Agreement, if the Indenture Trustee and the trustee for the Series 2014A Securitization Bonds are unable to agree on a replacement servicer, the Indenture Trustee would not be able to replace Consumers Energy or any successor as Servicer. Any of these events could adversely affect the billing, collection and posting of the Securitization Charges and the value of your investment in the Bonds. See "*The Servicing Agreement — Intercreditor Agreement*" in this prospectus.

In addition to the above, it is possible that Consumers Energy may, in the future, cause subsidiaries to issue other securities, similar to the Bonds, that are backed by securitization charges owing from retail electric distribution customers or similar types of property. Consumers Energy will covenant in the Sale Agreement that, in the event of any issuance of that sort, it will also enter into an intercreditor agreement with the Indenture Trustee and the trustees for those other issuances, which would provide that the servicer for the Bonds and those other issuances must be one and the same entity. Any expansion of the Intercreditor Agreement to include those subsequent issuances could further impair the ability of the Holders to appoint a successor Servicer in the event of a Servicer Default.

Changes to billing, collection and posting practices might reduce the value of your investment in the Bonds.

The Financing Order specifies the methodology for determining the amount of the Securitization Charges the Issuing Entity may impose; however, subject to any required MPSC approval, the Servicer may set its own billing, collection and posting arrangements with Customers from whom it collects Securitization Charges, provided that these arrangements comply with any applicable MPSC customer safeguards and the provisions of the Servicing Agreement. For example, to recover part of an outstanding bill, the Servicer may agree to extend a Customer's payment schedule or to write off the remaining portion of the bill, including the Securitization Charges. Also, subject to any required MPSC approval, the Servicer may change billing, collection and posting practices, which might adversely impact the timing and amount of Customer payments and might reduce Securitization Charge collections, thereby limiting the Issuing Entity's ability to make scheduled payments on the Bonds. Separately, the MPSC might require changes to these practices. Any changes in billing, collection and posting practices or regulations might make it more difficult for the Servicer to collect the Securitization Charges and adversely affect the value of your investment in the Bonds.

It might be difficult for successor Servicers to collect the Securitization Charges from Consumers Energy's Customers.

Any successor Servicer may bring an action against a Customer for non-payment of the Securitization Charges, but only a successor Servicer that is a successor electric utility may terminate electric service for failure to pay the Securitization Charges. A successor Servicer that does not have the threat of termination

of electric service available to enforce payment of the Securitization Charges would need to rely on the successor electric utility to threaten to terminate service for nonpayment of other portions of monthly electric utility bills. This inability might result in higher delinquencies and reduce the value of your investment. Also, a change in the Servicer would cause payment instructions to change, which could lead to a period of disruption in which Customers withhold payment or continue to remit payment according to the former payment instructions, resulting in delays in collection that could result in delays in payments on the Bonds.

Risks Associated with the Unusual Nature of the Securitization Property

Securitization Charges may not be billed more than eight years after the beginning of the first complete billing cycle during which such Securitization Charges were initially placed on any Customer's bill.

Under the Financing Order, Securitization Charges may not be billed more than eight years after the beginning of the first complete billing cycle during which the Securitization Charges were initially placed on any Customer's bill. However, Consumers Energy may continue to collect any billed but uncollected Securitization Charges after the close of this eight-year period. If Securitization Charges collected from billings through this period are not sufficient to repay the Bonds in full, no other funds will be available to pay the unpaid balance due on the Bonds other than funds in the Capital Subaccount.

Foreclosure of the Indenture Trustee's lien on the Securitization Property for the Bonds might not be practical, and acceleration of the Bonds before maturity might have little practical effect.

Under the Statute and the Indenture, the Indenture Trustee or the Holders have the right to foreclose or otherwise enforce the lien on the Securitization Property securing the Bonds. However, in the event of foreclosure, there is likely to be a limited market, if any, for the Securitization Property. Therefore, foreclosure might not be a realistic or practical remedy. Moreover, although principal of the Bonds will be due and payable upon acceleration of the Bonds before maturity, payment of the Securitization Charges by Customers likely would not be accelerated and the nature of the Issuing Entity's business will result in principal of the Bonds being paid as funds become available. If there is an acceleration of the Bonds, all tranches of the Bonds will be paid pro rata; therefore, some tranches might be paid earlier than expected and some tranches might be paid later than expected.

Risk Associated with Natural Disasters

Storm damage to Consumers Energy's operations might impair payment of the Bonds.

Severe weather, such as ice and snow storms, hurricanes and other natural disasters, may cause outages and property damage. The potential disruption of Consumers Energy's operations due to storms, natural disasters or other catastrophic events could be substantial. Generation, transmission, distribution and consumption of electricity might be interrupted temporarily, reducing the collections of Securitization Charges. There might be longer-lasting adverse effects on residential and commercial development and economic activity in the Michigan service area, which could cause the per-kWh Securitization Charges to be greater than expected. Legislative action adverse to the Holders might be taken in response, and such legislation, if challenged as a violation of the State Pledge, might be defended on the basis of public necessity. Please read "*The Statute and the Financing Order*" and "*Risk Factors — Risks Associated with Potential Judicial, Legislative or Regulatory Actions — Future Michigan legislative action might attempt to invalidate the Bonds or the Securitization Property and reduce the value of your investment*" in this prospectus.

Risks Associated with Potential Bankruptcy Proceedings

For a more detailed discussion of the following bankruptcy risks, please read "*How a Bankruptcy May Affect Your Investment*" in this prospectus.

The Servicer will commingle the Securitization Charges with other revenues it collects, which might obstruct access to the Securitization Charges in case of the Servicer's bankruptcy and reduce the value of your investment in the Bonds.

The Servicer will be required to remit estimated Securitization Charge collections to the Indenture Trustee no later than the second Servicer Business Day of receipt. The Servicer will not segregate

Securitization Charge collections from the other funds it collects from Customers or its general funds, including amounts relating to the Series 2014A Securitization Bonds. The Securitization Charge collections will be estimated and segregated only when the Servicer remits them to the Indenture Trustee.

Despite this requirement, the Servicer might fail to remit the full amount of the Securitization Charges payable to the Indenture Trustee or might fail to do so on a timely basis. This failure, whether voluntary or involuntary, might materially reduce the amount of Securitization Charge collections available to make payments on the Bonds.

Absent a default under the Servicing Agreement, Consumers Energy will be permitted to remit estimated Securitization Charge collections to the Indenture Trustee instead of being required to remit actual amounts. While Consumers Energy will be responsible for identifying and calculating the actual amount of Securitization Charge collections in the event of a default under the Servicing Agreement, it may be difficult for Consumers Energy to identify such charges, given existing limitations in its billing system.

The Statute provides that the priority of a lien and security interest perfected in Securitization Property is not impaired by the commingling of the funds arising from Securitization Charges with any other funds. In a bankruptcy of the Servicer, however, a bankruptcy court might rule that federal bankruptcy law takes precedence over the Statute and might decline to recognize the Issuing Entity's right to collections of the Securitization Charges that are commingled with other funds of the Servicer as of the date of bankruptcy. If so, the collections of the Securitization Charges held by the Servicer as of the date of bankruptcy would not be available to pay amounts owing on the Bonds. In this case, the Issuing Entity would have only a general unsecured claim against the Servicer for those amounts. This decision could cause material delays in payments of principal or interest, or losses, on your Bonds and could materially reduce the value of your investment in the Bonds.

The bankruptcy of Consumers Energy or any successor or assignee could result in losses or delays in payments on the Bonds.

The Statute and/or the Financing Order provide that as a matter of Michigan state law:

- that Securitization Property constitutes a present property right even though the imposition and collection of the Securitization Charges depends on the further acts of the electric utility or others that have not yet occurred;
- that the rights of an electric utility to Securitization Property before its sale to any assignee shall be considered a property interest in a contract;
- that the Financing Order shall remain in effect and the Securitization Property shall continue to exist until the Bonds and expenses related to the Bonds have been paid in full; and
- that an agreement by an electric utility or assignee to transfer Securitization Property that expressly states that the transfer is a sale or other absolute transfer signifies that the transaction is a true sale and is not a secured transaction and that title, legal and equitable, has passed to the entity to which the Securitization Property is transferred.

These principles are important to maintaining payments on the Bonds in accordance with their terms during any bankruptcy of Consumers Energy.

A bankruptcy court generally follows state property law on issues such as those addressed by the Statute described above. However, a bankruptcy court has authority not to follow state law if it determines that the state law is contrary to a paramount federal bankruptcy policy or interest. If a bankruptcy court in a bankruptcy of Consumers Energy refused to enforce one or more of the state property law provisions described above, the effect of this decision on you as a Holder could be similar to the treatment you would receive in a bankruptcy of Consumers Energy if the Bonds had been issued directly by Consumers Energy. A decision by the bankruptcy court that, despite the separateness of the Issuing Entity from Consumers Energy, the assets and liabilities of the Issuing Entity and those of Consumers Energy should be substantively consolidated would have a similar effect on you as a Holder.

The Issuing Entity has taken steps together with Consumers Energy, as the Seller, to reduce the risk that, in the event Consumers Energy or an affiliate of Consumers Energy were to become the debtor in a

bankruptcy case, a court would order that the assets and liabilities of the Issuing Entity should be substantively consolidated with those of Consumers Energy or an affiliate. Nonetheless, these steps might not be effective, and thus if Consumers Energy or an affiliate of Consumers Energy were to become a debtor in a bankruptcy case, a court may order that the assets and liabilities of the Issuing Entity be consolidated with those of Consumers Energy or the affiliate. This might cause material delays in payment of, or losses on, your Bonds and might materially reduce the value of your investment in the Bonds. For example:

- without permission from the bankruptcy court, the Indenture Trustee might be prevented from taking actions against Consumers Energy or recovering or using funds on your behalf or replacing Consumers Energy as the Servicer;
- the bankruptcy court might order the Indenture Trustee to exchange the Securitization Property for other property of lower value;
- tax or other government liens on Consumers Energy's property might have priority over the Indenture Trustee's lien and might be paid from collections of Securitization Charges before payments on your Bonds;
- the Indenture Trustee's lien might not be properly perfected in collections of Securitization Charges prior to or as of the date of Consumers Energy's bankruptcy, with the result that the Bonds would represent only general unsecured claims against Consumers Energy;
- the bankruptcy court might rule that neither the Issuing Entity's property interest nor the Indenture Trustee's lien extends to Securitization Charges in respect of electricity consumed after the commencement of Consumers Energy's bankruptcy case, with the result that your Bonds would represent only general unsecured claims against Consumers Energy;
- the Issuing Entity and Consumers Energy might be relieved of the obligation to make any payments on your Bonds during the pendency of the bankruptcy case and might be relieved of any obligation to pay interest accruing after the commencement of the bankruptcy case;
- Consumers Energy might be able to alter the terms of the Bonds as part of its plan of reorganization;
- the bankruptcy court might rule that the Securitization Charges should be used to pay, or the Issuing Entity should be charged for, a portion of the cost of providing electric service; or
- the bankruptcy court might rule that the remedy provisions of the Sale Agreement are unenforceable, leaving the Issuing Entity with an unsecured claim of actual damages against Consumers Energy that may be difficult to prove or, if proven, to collect in full.

Furthermore, if Consumers Energy were to become a debtor in a bankruptcy case, it could be permitted to stop acting as Servicer, and it may be difficult to find a third party to act as successor Servicer. The failure of the Servicer to perform its duties or the inability to find a successor Servicer could cause payment delays or losses on your investment in the Bonds. Also, the mere fact of a Servicer or Seller bankruptcy proceeding might have an adverse effect on the resale market for the Bonds and on the value of the Bonds.

The sale of the Securitization Property might be construed as a financing and not a sale in a case of Consumers Energy's bankruptcy, which might delay or limit payments on the Bonds.

The Statute provides that an agreement by an electric utility to transfer securitization property that expressly states that the transfer is a sale or other absolute transfer signifies that the transaction is a true sale and is not a secured transaction, that legal and equitable title has passed to the entity to which the securitization property is transferred, and that a true sale applies regardless of, among other things, the treatment of the transfer as a financing for tax, financial reporting or other purposes. The Issuing Entity and Consumers Energy will treat the transaction as a sale under applicable law, although for financial reporting and federal and state income tax purposes the transaction will be treated as a financing. In the event of a bankruptcy of Consumers Energy, a party in interest in the bankruptcy might assert that the sale of the Securitization Property to the Issuing Entity was a financing transaction and not a true sale or other absolute transfer and that the treatment of the transaction for financial reporting and tax purposes as a financing and not a sale lends weight to that position. If a court were to recharacterize the transaction as a financing, the Issuing Entity expects that it would, on behalf of the Issuing Entity and the Indenture Trustee, be

treated as a secured creditor of Consumers Energy in the bankruptcy on account of the lien on the Securitization Property, although a court might determine that the Issuing Entity only has an unsecured claim against Consumers Energy to the extent that it determines that the value of the Securitization Property is less than the amount due to the Issuing Entity or the security interest is not properly perfected. Even if the Issuing Entity had a security interest in the Securitization Property (which the Sale Agreement purports to provide in the event sale treatment is disallowed), the Issuing Entity would not likely have access to the related Securitization Charge collections during the bankruptcy and would be subject to the risks of a secured creditor in a bankruptcy case, including the possible bankruptcy risks described under "*Risk Factors — Risks Associated with Potential Bankruptcy Proceedings — The bankruptcy of Consumers Energy or any successor or assignee could result in losses or delays in payments on the Bonds*" in this prospectus. As a result, repayment of the Bonds might be significantly delayed and a plan of reorganization in the bankruptcy might permanently modify the amount and timing of payments to the Issuing Entity of the related Securitization Charge collections and therefore the amount and timing of funds available to the Issuing Entity to pay Holders.

The Securitization Charges remitted by the Servicer before the date of any future bankruptcy of the Servicer, to the extent one were to occur, might constitute preferences, which means these funds might be required to be returned to the Servicer's bankruptcy estate.

In the event of a bankruptcy of the Servicer, a party in interest might take the position that the remittance of funds prior to bankruptcy of the Servicer, pursuant to the Servicing Agreement, constitutes a preference under bankruptcy law if the remittance of those funds was deemed to be paid on account of a preexisting debt. If a court were to hold that the remittance of funds constitutes a preference, any such remittance within 90 days of the filing of the bankruptcy petition could be avoidable, and the funds could be required to be returned to the bankruptcy estate of the Servicer. To the extent that Securitization Charges have been commingled with the general funds of the Servicer, the risk that a court would hold that a remittance of funds was a preference would increase. Also, if the Issuing Entity is considered an "insider" of the Servicer, any such remittance made within one year of the filing of the bankruptcy petition could be avoidable as well if the court were to hold that such remittance constitutes a preference. In either case, the Issuing Entity or the Indenture Trustee would merely be an unsecured creditor of the Servicer. If any funds were required to be returned to the bankruptcy estate of the Servicer, the Issuing Entity would expect that the amount of any future Securitization Charges would be increased through the statutory True-Up Adjustments to recover such amount, though this would not eliminate the risk of payment delays or losses on your investment in the Bonds.

Claims against Consumers Energy or any successor Seller might be limited in the event of a bankruptcy of the Seller.

If the Seller were to become a debtor in a bankruptcy case, claims, including indemnity claims, by the Issuing Entity against the Seller under the Sale Agreement and the other documents executed in connection with the Sale Agreement would be unsecured claims and would be adjudicated in the bankruptcy case. In addition, the bankruptcy court might estimate any contingent claims that the Issuing Entity has against the Seller and, if it determines that the contingency giving rise to these claims is unlikely to occur, estimate the claims at a lower amount. A party in interest in the bankruptcy of the Seller might challenge the enforceability of the indemnity provisions in the Sale Agreement. If a court were to hold that the indemnity provisions are unenforceable, the Issuing Entity would be left with a claim for actual damages against the Seller based on breach of contract principles, which would be subject to estimation and/or calculation by the court. The Issuing Entity cannot give any assurance as to the result if any of the above-described actions or claims are made. Furthermore, the Issuing Entity cannot give any assurance as to what percentage of its claims, if any, unsecured creditors would receive in any bankruptcy proceeding involving the Seller.

The bankruptcy of Consumers Energy or any successor Seller might limit the remedies available to the Indenture Trustee.

If an Event of Default is caused by the electric utility or its successors in paying revenues arising with respect to Securitization Property to the accounts held pursuant to the Indenture relating to the Bonds, the Statute provides that the MPSC or a court of appropriate jurisdiction, upon the application of a Financing Party, including the Indenture Trustee, and without limiting any other remedies available to the Financing

Party, including the Indenture Trustee, shall order the sequestration and payment to the Financing Party, including the Indenture Trustee, of revenues arising with respect to the Securitization Property. The Statute further provides that the order shall remain in full force and effect notwithstanding any bankruptcy, reorganization or other insolvency proceedings with respect to the debtor, pledgor or transferor of the property. There can be no assurance, however, that a court or the MPSC would issue this order after a Consumers Energy bankruptcy given the automatic stay provisions of Section 362 of the Bankruptcy Code. In that event, the Indenture Trustee would first need to seek an order from the bankruptcy court lifting the automatic stay to permit the entry of any such order by the MPSC or court of appropriate jurisdiction or an order for an accounting and segregation of the revenues arising from the Securitization Property. There can be no assurance that any court would enter any such orders.

Other Risks Associated with the Purchase of the Bonds

Consumers Energy's obligation to indemnify the Issuing Entity for a breach of a representation or warranty might not be sufficient to protect your investment.

Consumers Energy will be obligated under the Sale Agreement to indemnify the Issuing Entity and the Indenture Trustee, for itself and on behalf of the Holders, only in specified circumstances and will not be obligated to repurchase any Securitization Property in the event of a breach of any of its representations, warranties or covenants regarding the Securitization Property. Similarly, Consumers Energy will be obligated under the Servicing Agreement to indemnify the Issuing Entity and the Indenture Trustee, for itself and on behalf of the Holders only in specified circumstances. Please read "*The Sale Agreement*" and "*The Servicing Agreement*" in this prospectus.

Neither the Indenture Trustee nor the Holders will have the right to accelerate payments on the Bonds as a result of a breach under the Sale Agreement or Servicing Agreement, absent an Event of Default under the Indenture as described in "*Description of the Bonds — Events of Default; Rights Upon Event of Default*" in this prospectus. Furthermore, Consumers Energy might not have sufficient funds available to satisfy its indemnification obligations under these agreements, and the amount of any indemnification paid by Consumers Energy might not be sufficient for you to recover all of your investment in the Bonds. In addition, if Consumers Energy becomes obligated to indemnify Holders, the ratings on the Bonds might be downgraded as a result of the circumstances causing the breach and the fact that Holders will be unsecured creditors of Consumers Energy with respect to any of these indemnification amounts. Consumers Energy will not indemnify any Person for any loss, damages, liability, obligation, claim, action, suit or payment resulting solely from a downgrade in the ratings on the Bonds, or for any consequential damages, including any loss of market value of the Bonds resulting from a default or a downgrade of the ratings of the Bonds. Please read "*The Sale Agreement — Seller Representations and Warranties*" and "*The Sale Agreement — Indemnification*" in this prospectus.

Consumers Energy may sell property similar to the Securitization Property to another affiliated entity in the future.

Consumers Energy sold property similar to the Securitization Property to other issuing entities in 2001 and 2014. Consumers Energy may in the future sell property similar to the Securitization Property to one or more entities other than the Issuing Entity in connection with a new issuance of bonds similar to the Bonds (or the Series 2014A Securitization Bonds) or similarly authorized types of bonds without your prior review or approval. Any new issuance may include terms and provisions that would be unique to that particular issue. The Issuing Entity may not issue additional bonds. Consumers Energy will covenant in the Sale Agreement not to sell property similar to the Securitization Property to other entities issuing bonds if the issuance would result in the credit ratings on the Bonds being reduced or withdrawn.

In the event a Customer does not pay in full all amounts owed under any bill, including Securitization Charges, Consumers Energy, as Servicer, is required to allocate any resulting shortfalls in securitization charges ratably based on the amounts of Securitization Charges owing in respect of the Bonds, amounts owing to Consumers 2014 Securitization Funding LLC in respect of the Series 2014A Securitization Bonds, any amounts owing in respect of any other series of securitization bonds and the total amounts owed by

that Customer. As a result, the Issuing Entity cannot assure you that the issuance of future securitization bonds would not cause reductions or delays in payment of your Bonds.

Alternatives to purchasing electricity through Consumers Energy's distribution facilities may be more widely utilized by retail electric distribution customers in the future.

Technological developments and/or tax or other economic incentives might result in the introduction of economically attractive, more fuel-efficient, more environmentally-friendly and/or more cost-effective alternatives to purchasing electricity through a utility's distribution facilities for increasing numbers of customers. Manufacturers of self-generation facilities may develop smaller-scale, more fuel-efficient on-site generating and/or storage units that can be cost-effective options for a greater number of customers.

Moreover, an increase in Self-Service Power may result if extreme weather conditions cause shortages of grid-supplied energy or if other factors cause grid-supplied energy to be less reliable. Technological developments might allow greater numbers of customers to reduce or even altogether avoid Securitization Charges under such provisions through on-site generation and storage. This might reduce the kWh of electric energy delivered to customers by means of Consumers Energy's distribution facilities, thereby causing reduced collections and payment delays on the Bonds. In addition, Securitization Charges to the remaining Customers would increase, which could increase the risk of charge-offs.

The absence of a secondary market for the Bonds might limit your ability to resell Bonds.

The underwriters for the Bonds might assist in resales of the Bonds, but they are not required to do so. A secondary market for the Bonds might not develop, and the Issuing Entity does not expect to list the Bonds on any securities exchange. If a secondary market does develop, it might not continue or there might not be sufficient liquidity to allow you to resell any of your Bonds. Please read "*Plan of Distribution*" in this prospectus for more information.

The Bonds' credit ratings might affect the market value of your Bonds.

A downgrading of the credit ratings of the Bonds might have an adverse effect on the market value of the Bonds. Credit ratings might change at any time and a nationally recognized statistical rating organization, referred to in this prospectus as an NRSRO, has the authority to revise or withdraw its rating based solely upon its own judgment. In addition, any downgrade in the credit ratings of the Bonds may result in the Bonds becoming ineligible to be held by certain funds or investors, which may require such investors to liquidate their investment in the Bonds and result in lower prices and a less liquid trading market for the Bonds.

The credit ratings are no indication of the expected rate of payment of principal on the Bonds.

The Issuing Entity expects the Bonds will receive credit ratings from two NRSROs. A rating is not a recommendation to buy, sell or hold the Bonds. The ratings merely analyze the probability that the Issuing Entity will repay the total principal amount of each tranche of Bonds at the Final Maturity Date for such tranche (which is later than the expected Scheduled Final Payment Dates) and will make timely interest payments. The ratings are not an indication that the Rating Agencies believe that principal payments are likely to be paid on time according to the expected sinking fund schedule included in this prospectus.

Under Rule 17g-5 under the Exchange Act, NRSROs providing the Sponsor with the requisite certification will have access to all information posted on a website by the Sponsor for the purpose of determining the initial rating and monitoring the rating after the issuance date in respect of the Bonds. As a result, a NRSRO other than the NRSROs hired by the Sponsor, referred to in this prospectus as the Hired NRSROs, may issue ratings on the Bonds, referred to in this prospectus as Unsolicited Ratings, which may be lower, and could be significantly lower, than the ratings assigned by the Hired NRSROs. The Unsolicited Ratings may be issued prior to, or after, the issuance date in respect of the Bonds. Issuance of any Unsolicited Rating will not affect the issuance of the Bonds. Issuance of an Unsolicited Rating lower than the ratings assigned by the Hired NRSROs on the Bonds might adversely affect the value of the Bonds and, for regulated entities, could affect the status of the Bonds as a legal investment or the capital treatment of the Bonds. Investors in the Bonds should consult with their legal counsel regarding the effect of the issuance of a rating by a NRSRO other than the Hired NRSROs that is lower than the rating of a Hired NRSRO. None of

Consumers Energy, the Issuing Entity, the underwriters or any of their affiliates will have any obligation to inform you of any Unsolicited Ratings assigned after the date of this prospectus. In addition, if the Issuing Entity or Consumers Energy fail to make available to a NRSRO other than the Hired NRSROs any information provided to a Hired NRSRO for the purpose of assigning or monitoring the ratings on the Bonds, a Hired NRSRO could withdraw its ratings on the Bonds, which could adversely affect the market value of your Bonds and could limit your ability to resell your Bonds.

Regulatory provisions affecting certain investors could adversely affect the liquidity and the regulatory treatment of investments in the Bonds.

The EU Securitization Regulation and certain related regulatory technical standards, implementing technical standards and official guidance (together, referred to in this prospectus as the European Securitization Rules) imposes certain restrictions and obligations with regard to securitisations (as such term is defined for purposes of the EU Securitization Regulation). The European Securitization Rules are in force throughout the European Union (and are expected also to be implemented in the non-European Union member states of the European Economic Area).

Pursuant to the European Securitization Rules, European Union institutional investors investing in a securitisation (as so defined) must, amongst other things, verify that:

- certain credit-granting requirements are satisfied;
- the originator, sponsor or original lender retains on an ongoing basis a material net economic interest that, in any event, shall not be less than 5%, determined in accordance with Article 6 of the EU Securitization Regulation, and discloses that risk retention;
- the originator, sponsor or relevant securitization special purpose entity has, where applicable, made available information as required by Article 7 of the EU Securitization Regulation; and
- they have carried out a due-diligence assessment that enables the European Union institutional investors to assess the risks involved, considering at least the risk characteristics of the securitization position and the underlying exposures and all the structural features of the securitization that can materially impact the performance of the securitization position.

European Union institutional investors include:

- insurance undertakings and reinsurance undertakings as defined in Directive 2009/138/EC, as amended;
- institutions for occupational retirement provision falling within the scope of Directive (EU) 2016/2341 (subject to certain exceptions), and certain investment managers and authorized entities appointed by such institutions;
- alternative investment fund managers as defined in Directive 2011/61/EU that manage and/or market alternative investment funds in the European Union;
- certain internally-managed investment companies authorized in accordance with Directive 2009/65/EC, and managing companies as defined in that Directive;
- credit institutions as defined in Regulation (EU) No 575/2013 (and certain consolidated affiliates thereof); and
- investment firms as defined in Regulation (EU) No 575/2013 (and certain consolidated affiliates thereof).

With respect to the United Kingdom, relevant United Kingdom established or United Kingdom regulated Persons (as described below) are subject to the restrictions and obligations of the EU Securitization Regulation as it forms part of United Kingdom domestic law by operation of the European Union (Withdrawal) Act 2018, as amended, referred to in this prospectus as the EUWA, and as amended by the Securitisation (Amendment) (EU Exit) Regulations 2019, and as further amended from time to time, referred to in this prospectus as the UK Securitization Regulation. The UK Securitization Regulation, together with:

- all applicable binding technical standards made under the UK Securitization Regulation;
- any European Union regulatory technical standards or implementing technical standards relating to the EU Securitization Regulation (including such regulatory technical standards or implementing technical standards that are applicable pursuant to any transitional provisions of the EU Securitization Regulation) forming part of United Kingdom domestic law by operation of the EUWA;
- all relevant guidance, policy statements or directions relating to the application of the UK Securitization Regulation (or any binding technical standards) published by the Financial Conduct Authority and/or the Prudential Regulation Authority (or their successors);
- any guidelines relating to the application of the EU Securitization Regulation that are applicable in the United Kingdom;
- other transitional, saving or other provision relevant to the UK Securitization Regulation by virtue of the operation of the EUWA; and
- any other applicable laws, acts, statutory instruments, rules, guidance or policy statements published or enacted relating to the UK Securitization Regulation,

in each case, as may be further amended, supplemented or replaced, from time to time, are referred to in this prospectus as the UK Securitization Rules.

Article 5 of the UK Securitization Regulation places certain conditions on investments in a "securitisation" (as defined in the UK Securitization Regulation) by a United Kingdom institutional investor. United Kingdom institutional investors include:

- an insurance undertaking as defined in section 417(1) of the Financial Services And Markets Act 2000, as amended, referred to in this prospectus as the FSMA;
- a reinsurance undertaking as defined in section 417(1) of the FSMA;
- an occupational pension scheme as defined in section 1(1) of the Pension Schemes Act 1993 that has its main administration in the United Kingdom, or a fund manager of such a scheme appointed under section 34(2) of the Pensions Act 1995 that, in respect of activity undertaken pursuant to that appointment, is authorized for the purposes of section 31 of the FSMA;
- an alternative investment fund manager as defined in regulation 4(1) of the Alternative Investment Fund Managers Regulation 2013 that markets or manages alternative investments funds (as defined in regulation 3 of the Alternative Investment Fund Managers Regulation 2013) in the United Kingdom;
- a management company as defined in section 237(2) of the FSMA;
- an undertaking for collective investment in transferable securities as defined by section 236A of the FSMA, which is an authorized open ended investment company as defined in section 237(3) of the FSMA; and
- a CRR firm as defined in Regulation (EU) No 575/2013, as it forms part of United Kingdom domestic law by virtue of the EUWA (and certain consolidated affiliates thereof).

Prior to investing in (or otherwise holding an exposure to) a "securitisation position" (as defined in the UK Securitization Regulation), a United Kingdom institutional investor, other than the originator, sponsor or original lender (each as defined in the UK Securitization Regulation), must, among other things:

- verify that, where the originator or original lender is established in a third country (i.e. not within the United Kingdom), the originator or original lender grants all the credits giving rise to the underlying exposures on the basis of sound and well-defined criteria and clearly established processes for approving, amending, renewing and financing those credits and has effective systems in place to apply those criteria and processes to ensure that credit-granting is based on a thorough assessment of the obligor's creditworthiness;
- verify that, if established in the third country (i.e. not within the United Kingdom), the originator, sponsor or original lender retains on an ongoing basis a material net economic interest that, in any event, shall not be less than 5%, determined in accordance with Article 6 of the UK Securitization Regulation, and discloses the risk retention to the affected investors;

- verify that, where established in a third country (i.e. not within the United Kingdom), the originator, sponsor or relevant securitization special purpose entity, where applicable, made available information that is substantially the same as that which it would have made available under Article 7 of the UK Securitization Regulation (which sets out certain transparency requirements) if it had been established in the United Kingdom and has done so with such frequency and modalities as are substantially the same as those with which it would have made information available if it had been established in the United Kingdom; and
- carry out a due-diligence assessment that enables the United Kingdom institutional investors to assess the risks involved, considering at least:
  - the risk characteristics of the securitisation position and the underlying exposures; and
  - all the structural features of the securitization that can materially impact the performance of the securitisation position.

The Issuing Entity and Consumers Energy do not believe that the Bonds fall within the definition of a "securitization" for purposes of the EU Securitization Regulation or the UK Securitization Regulation as there is no tranching of credit risk associated with exposures under the transactions described in this prospectus. Therefore, the Issuing Entity and Consumers Energy believe such transactions are not subject to the European Securitization Rules or the UK Securitization Rules. As such, neither the Issuing Entity nor Consumers Energy, nor any other party to the transactions described in this prospectus, intend, or are required under the transaction documents, to retain a material net economic interest in respect of such transactions, or to take, or to refrain from taking, any other action, in a manner prescribed or contemplated by the European Securitization Rules or the UK Securitization Rules. In particular, no such Person undertakes to take, or to refrain from taking, any action for purposes of compliance by any investor (or any other Person) with any requirement of the European Securitization Rules or the UK Securitization Rules to which such investor (or other Person) may be subject at any time.

However, if a competent authority were to take a contrary view and determine that the transactions described in this prospectus do constitute a securitization for purposes of the EU Securitization Regulation or the UK Securitization Regulation, then any failure by a European Union institutional investor or a United Kingdom institutional investor (as applicable) to comply with any applicable European Securitization Rules or UK Securitization Rules (as applicable) with respect to an investment in the Bonds may result in the imposition of a penalty regulatory capital charge on that investment or of other regulatory sanctions and remedial measures.

Consequently, the Bonds may not be a suitable investment for European Union institutional investors or United Kingdom institutional investors. As a result, the price and liquidity of the Bonds in the secondary market may be adversely affected.

Prospective investors are responsible for analyzing their own legal and regulatory position and are advised to consult with their own advisors and any relevant regulator or other authority regarding the scope, applicability and compliance requirements of the European Securitization Rules and the UK Securitization Rules, and the suitability of the Bonds for investment. Neither the Issuing Entity nor Consumers Energy, nor any other party to the transactions described in this prospectus, make any representation as to any such matter, or have any liability to any investor (or any other Person) for any non-compliance by any such Person with the European Securitization Rules, the UK Securitization Rules or any other applicable legal, regulatory or other requirements.

You might receive principal payments for the Bonds later than you expect.

The amount and the rate of collection of the Securitization Charges for the Bonds will be impacted by the actual electric usage by Customers and collections from Customers' electricity bills by the Servicer and, together with the related Securitization Charge adjustments, will generally determine whether there is a delay in the scheduled repayment of Bond principal. If the Servicer collects the Securitization Charges at a slower rate than expected, it might have to request adjustments of the Securitization Charges to correct for those delays. If those adjustments are not timely and accurate, you might experience a delay in payments of principal and interest and a decrease in the value of your investment in the Bonds.

If the investment of collected Securitization Charges and other funds held pursuant to the Indenture in the Collection Account (and related subaccounts) results in investment losses or the investments become illiquid, you may receive payment of principal and interest on the Bonds later than you expect.

Funds held pursuant to the Indenture in the Collection Account (and related subaccounts) will be invested in Eligible Investments at the direction of the Servicer. See "*Security for the Bonds — Description of Indenture Accounts — Eligible Investments for Funds in the Collection Account*" in this prospectus. Eligible Investments include money market funds having a rating from Moody's and S&P of P-1 and A-1, respectively. Although investments in these money market funds have traditionally been viewed as highly liquid with a low probability of principal loss, illiquidity and principal losses have been experienced by investors in certain of these funds as a result of disruptions in the financial markets in recent years. If investment losses or illiquidity are experienced, you might experience a delay in payments of principal and interest and a decrease in the value of your investment in the Bonds.

REVIEW OF THE SECURITIZATION PROPERTY

Pursuant to the rules of the SEC, Consumers Energy, as Sponsor, has performed, as described below, a review of the Securitization Property underlying the Bonds. As required by these rules, the review was designed and effected to provide reasonable assurance that disclosure regarding the Securitization Property is accurate in all material respects. Consumers Energy did not engage a third party in conducting its review.

The Bonds will be secured by the Collateral pledged under the Indenture. The principal asset included within the Collateral is the Securitization Property. The Securitization Property is a present property right authorized and created pursuant to the Statute and the Financing Order.

The Securitization Property includes:

- the right to impose, collect and receive Securitization Charges as provided in the Statute and the Financing Order;
- the right under the Financing Order to obtain True-Up Adjustments of Securitization Charges as provided in the Financing Order and the Statute; and
- all revenue, collections, payments, money and proceeds arising out of the rights and interests in such property, as provided in the Financing Order.

The Securitization Charges are Nonbypassable and will be assessed against and collected from Customers. Customers include all existing and future retail electric distribution customers of Consumers Energy or its successors, excluding:

- customers to the extent they obtain or use Self-Service Power;
- customers to the extent engaged in Affiliate Wheeling; and
- Current ROA Customers as of December 17, 2020 to the extent that they do not return to retail electric service after December 17, 2020.

The Securitization Property is not a static pool of assets. The Securitization Charges included within the Securitization Property are irrevocable and not subject to reduction, impairment, postponement, termination or, except for the True-Up Adjustments to correct any overcollections or undercollections, adjustment by further action of the MPSC. The Securitization Charges on Customers will be adjusted at least annually to correct any overcollections or undercollections of the preceding 12 months and to ensure the expected recovery during the succeeding annual period of amounts required for the timely payment of debt service and other required amounts and charges in connection with the Bonds.

Securitization Charges will be adjusted at least annually, and Securitization Charges may be adjusted semi-annually or more frequently if the Servicer determines that a True-Up Adjustment is needed to ensure the expected recovery during the succeeding annual period of amounts required for the timely payment of debt service and other required amounts and charges in connection with the Bonds. In addition, the Servicing Agreement will require Securitization Charges to be adjusted quarterly following the Scheduled Final Payment Date for each tranche of Bonds if there are any remaining amounts due. There is no cap on the level of Securitization Charges that may be imposed on Customers as a result of the True-Up Mechanism to pay on a timely basis scheduled principal of and interest on the Bonds and Ongoing Other Qualified Costs as described under "*Security for the Bonds — How Funds in the Collection Account will be Allocated*" in this prospectus. All revenues and collections resulting from Securitization Charges provided for in the Financing Order are part of the Securitization Property. The Collateral securing payment of the Bonds is described in more detail under "*Security for the Bonds — Pledge of Collateral*" in this prospectus.

In the Financing Order, the MPSC, among other things:

- established the Securitization Charges and authorized the Securitization Charges to be billed to and collected from Customers for up to eight years after the beginning of the first complete billing cycle during which the Securitization Charges were initially placed on any Customer's bill;
- confirmed, for the benefit and protection of all Financing Parties and Consumers Energy, the State Pledge and pursuant to the Statute, the MPSC authorized the State Pledge to be included in any documentation relating to the Bonds; and

- approved the procedures and methodologies for adjusting the Securitization Charges during the term that the Bonds are outstanding to ensure that the expected Securitization Charge collections are sufficient to pay on a timely basis scheduled principal of and interest on the Bonds and other Qualified Costs.

Please read "*The Statute and the Financing Order*" in this prospectus for more detail.

The characteristics of the Securitization Property are unlike the characteristics of assets underlying mortgage and other commercial asset securitizations because the Securitization Property is a creature of statute and state regulatory commission proceedings. Because the nature and characteristics of the Securitization Property and many elements of the securitization are set forth in and constrained by the Statute and the Financing Order, Consumers Energy, as Sponsor, does not select the assets to be securitized in ways common to many securitizations. Moreover, the Bonds do not contain origination or underwriting elements similar to typical mortgage or other loan transactions involved in other forms of asset-backed securities. The Statute and the Financing Order require the imposition on, and collection of Securitization Charges from Customers. Since Securitization Charges are assessed against Customers, and the True-Up Adjustments adjust for the impact of Customer defaults, the collectability of the Securitization Charges is not ultimately dependent upon the credit quality of particular Customers, as would be the case in the absence of the True-Up Adjustments.

The review by Consumers Energy of the Securitization Property underlying the Bonds has involved a number of discrete elements as described in more detail below. Consumers Energy has analyzed and applied the Statute's requirements for securitization of qualified costs in seeking approval of the MPSC for the issuance of the Financing Order and in its proposal with respect to the characteristics of the Securitization Property to be created pursuant to the Financing Order. Consumers Energy worked with its legal counsel and its structuring agent in preparing the Application for a Financing Order and with the MPSC on the terms of the Financing Order. Moreover, Consumers Energy worked with its legal counsel, its structuring agent and counsel to the structuring agent and the underwriters in preparing the legal agreements that provide for the terms of the Bonds and the Collateral for the Bonds. Consumers Energy has analyzed economic issues and practical issues for the collection of the Securitization Charges and the scheduled payment of the Bonds, including the impact of economic factors, potential for disruptions due to weather or catastrophic events and its own forecasts for electricity usage as well as the historic accuracy of its prior forecasts.

In light of the unique nature of the Securitization Property, Consumers Energy has taken (or, prior to the offering of the Bonds, will take) the following actions in connection with its review of the Securitization Property and the preparation of the disclosure for inclusion in this prospectus describing the Securitization Property, the Bonds and the proposed securitization:

- reviewed the Statute, other relevant provisions of Michigan statutes and any applicable MPSC Regulations as they relate to the Securitization Property in connection with the preparation and filing of the Application with the MPSC for the approval of the Financing Order in order to confirm that the Application and proposed Financing Order satisfied applicable statutory and regulatory requirements;
- actively participated in the proceedings before the MPSC relating to the approval of the Financing Order;
- compared the process by which the Financing Order was adopted and approved by the MPSC to the requirements of the Statute and any applicable MPSC Regulations as they relate to the Securitization Property to confirm that it met such requirements;
- compared the proposed terms of the Bonds to the applicable requirements in the Statute, other relevant provisions of Michigan statutes, the Financing Order and any applicable MPSC Regulations to confirm that they met such requirements;
- prepared and reviewed the agreements to be entered into in connection with the issuance of the Bonds and compared such agreements to the applicable requirements in the Statute, other relevant provisions of Michigan statutes, the Financing Order and any applicable MPSC Regulations to confirm that they met such requirements;
- reviewed the disclosure in this prospectus regarding the Statute, other relevant provisions of Michigan statutes, the Financing Order and the agreements to be entered into in connection with the issuance

of the Bonds, and compared such descriptions to the relevant provisions of the Statute, other relevant provisions of Michigan statutes, the Financing Order and such agreements to confirm the accuracy of such descriptions;

- consulted with legal counsel to assess if there is a basis upon which the Holders (or the Indenture Trustee acting on their behalf) could successfully challenge the constitutionality of any legislative action by the State of Michigan (including the MPSC) that could repeal or amend the securitization provisions of the Statute that could substantially impair the value of the Securitization Property, or substantially reduce, alter or impair the Securitization Charges;
- reviewed the process and procedures in place for it, as Servicer, to perform its obligations under the Servicing Agreement, including billing, collecting and remitting the Securitization Charges to be provided for under the Securitization Property, forecasting Securitization Charges, and preparing and filing applications for True-Up Adjustments to the Securitization Charges;
- reviewed the methodology and procedures for the True-Up Adjustments for adjusting Securitization Charge levels to meet the scheduled payments on the Bonds and in this context took into account its experience with the MPSC, including the true-up mechanisms for the two prior securitizations for which it has served as the sponsor; and
- with the assistance of the underwriters, prepared financial models in order to set the initial Securitization Charges to be provided for under the Securitization Property at a level expected to be sufficient to pay on a timely basis scheduled principal of and interest on the Bonds and Ongoing Other Qualified Costs.

In connection with the preparation of such models, Consumers Energy:

- reviewed the historical electric usage and customer growth within its service territory;
- reviewed forecasts of expected electric usage and customer growth;
- reviewed its historical collection of securitization charges with respect to previously-issued securitization bonds, including the Series 2014A Securitization Bonds, and reviewed the resulting payment history and annual true-up adjustment experience with respect to previously-issued securitization bonds, including the Series 2014A Securitization Bonds; and
- analyzed the sensitivity of the weighted average life of the Bonds in relation to variances in actual electric usage from forecasted levels and in relation to the True-Up Adjustments in order to assess the probability that the weighted average life of the Bonds may be extended as a result of such variances, and in the context of the True-Up Adjustments for adjustment of Securitization Charges to address under-collections or over-collections in light of scheduled payments on the Bonds.

As a result of this review, Consumers Energy has concluded that:

- the Securitization Property, the Financing Order and the agreements to be entered into in connection with the issuance of the Bonds meet in all material respects the applicable statutory and regulatory requirements;
- the disclosure in this prospectus regarding the Statute, other relevant provisions of Michigan statutes, the Financing Order and the agreements to be entered into in connection with the issuance of the Bonds is accurate in all material respects;
- the Servicer has adequate processes and procedures in place to perform its obligations under the Servicing Agreement;
- Securitization Charges, as adjusted from time to time as provided in the Statute and the Financing Order, are expected to generate sufficient revenues to pay on a timely basis scheduled principal of and interest on the Bonds and Ongoing Other Qualified Costs; and
- the design and scope of Consumers Energy's review of the Securitization Property as described above is effective to provide reasonable assurance that the disclosure regarding the Securitization Property in this prospectus is accurate in all material respects.

THE STATUTE AND THE FINANCING ORDER

The Statute

The Statute was enacted into Michigan law on June 5, 2000. The Statute provides an electric utility (such as Consumers Energy) the opportunity to recover qualified costs through securitization charges, as approved by the MPSC. Qualified costs are:

- an electric utility's regulatory assets as determined by the MPSC, adjusted by the applicable portion of related investment tax credits;
- any costs that the MPSC determines that the electric utility would be unlikely to collect in a competitive market, including ROA implementation costs and the costs of an MPSC-approved restructuring, buyout or buy-down of a power purchase contract;
- the costs of issuing, supporting and servicing securitization bonds;
- any costs of retiring and refunding the electric utility's existing debt and equity securities in connection with the issuance of securitization bonds; and
- taxes related to the recovery of securitization charges.

Recovery of Qualified Costs is Allowed for Michigan Electric Utilities

Upon the application of an electric utility, if the MPSC finds that the net present value of the revenues to be collected under a financing order is less than the amount that would be recovered over the remaining life of the qualified costs using conventional financing methods and that the financing order is consistent with the following standards, then the MPSC is required under the Statute to issue a financing order to allow the utility to recover qualified costs. In issuing such financing order, the MPSC is required to ensure all of the following:

- that the proceeds of the securitization bonds are used solely for the purposes of the refinancing or retirement of debt or equity;
- that the securitization provides tangible and quantifiable benefits to customers of the electric utility;
- that the expected structuring and expected pricing of the securitization bonds will result in the lowest securitization charges consistent with market conditions and the terms of the financing order; and
- that the amount securitized does not exceed the net present value of the revenue requirement over the life of the proposed securitization bonds associated with the qualified costs sought to be securitized.

The Statute allows electric utilities an opportunity to recover their qualified costs. As a mechanism to recover qualified costs, the Statute provides for the imposition and collection of securitization charges on retail electric distribution customers' bills.

Electric Utilities May Securitize Qualified Costs

Qualified Costs May be Recovered by the Issuance of Securitization Bonds

The Statute authorizes the MPSC to issue financing orders (such as the Financing Order described in this prospectus) approving, among other things, the issuance of securitization bonds to recover the qualified costs of an electric utility. An electric utility, its successor or an assignee under the financing order may issue securitization bonds, and that successor or assignee may use the proceeds to purchase the electric utility's rights and interests under the financing order, which is the securitization property. Under the Statute, proceeds of securitization bonds are required to be used solely to refinance or retire an electric utility's debt or equity. Securitization bonds are secured by and payable from the securitization property (rights and interests of the electric utility, or its successor, under the financing order, including the right to impose, collect and receive securitization charges authorized in the financing order in an amount necessary to provide the full recovery of all qualified costs, the right under the financing order to obtain periodic adjustments of securitization charges under the Statute and all revenue, collections, payments, money and proceeds

arising out of the rights and interests in such property). Under the Statute, securitization charges may be billed over a period not to exceed 15 years.

The Statute contains a number of provisions designed to facilitate the securitization of qualified costs.

A Financing Order is Irrevocable

The Statute provides that a financing order (including the Financing Order), together with the securitization charges authorized in the financing order, are irrevocable, subject to rehearing by the MPSC only on the motion of the electric utility. Notwithstanding its irrevocability, a party to the MPSC proceeding may appeal a financing order to the Michigan court of appeals within 30 days after the financing order is issued by the MPSC. Under the Statute, a financing order and the securitization charges authorized in the financing order are also not subject to reduction, impairment or adjustment by further action of the MPSC, other than pursuant to the securitization charge adjustment provisions of the Statute.

State Pledge

In addition, under the Statute, the State of Michigan pledges, for the benefit and protection of the Financing Parties, including the Holders, and the electric utility, that it will not take or permit any action that would impair the value of the securitization property, reduce or alter, except as allowed by the securitization charge adjustment provisions of the Statute, or impair the securitization charges to be imposed, collected and remitted, until the principal, interest and premium, if any, and any other charges incurred and contracts to be performed, in connection with the related securitization bonds have been paid and performed in full. See "*The Statute and the Financing Order — Electric Utilities May Securitize Qualified Costs — The Securitization Charge is Adjusted Periodically*", "*Risk Factors — Risks Associated with Potential Judicial, Legislative or Regulatory Actions*" and "*The Servicing Agreement — True-Up Mechanism*" in this prospectus. Securitization bonds are not a debt or obligation of the State of Michigan and are not a charge on its full faith and credit or taxing power.

The Securitization Charge is Adjusted Periodically

The Statute requires each financing order (including the Financing Order) to include a mechanism requiring that securitization charges be reviewed and adjusted by the MPSC at least annually, within 45 days of the anniversary date of the issuance of the securitization bonds, to correct any overcollections or undercollections of the preceding 12 months. See "*The Servicing Agreement — True-Up Mechanism*" in this prospectus.

Retail Electric Distribution Customers Cannot Avoid Paying the Securitization Charges

The Statute provides that the imposition and collection of securitization charges are a Nonbypassable charge, which means that the charges will be payable by all customers required to pay such charges of an electric utility or its assignees or successors regardless of the identity of the customer's electric generation supplier.

The Statute Provides Procedures for Perfecting the Transfer and Pledge of Securitization Property

The Statute specifies the procedures for perfecting the transfer of the securitization property from an electric utility to the issuing entity under Michigan law and perfecting the security interest granted by the issuing entity to the indenture trustee in the securitization property under Michigan law. The Statute provides that a transfer of an interest in securitization property shall be perfected against all third parties, including subsequent judicial and other lien creditors, when a financing statement with respect to the transfer has been filed in accordance with Public Act 174 of 1962, as amended; MCL 440.1101 *et seq.*, referred to in this prospectus as the Michigan UCC.

A security interest in securitization property may be created only by a financing order (including the Financing Order) and the execution and delivery of a security agreement (such as the Indenture). A security interest in securitization property attaches automatically from the time that value is received for the securitization bonds and is perfected upon the filing of a financing statement under the Michigan UCC,

whether or not the revenue or proceeds thereof have accrued. The Statute provides that priority of security interests in securitization property will not be impaired by commingling of funds arising from securitization charges with other funds or later modification of the financing order (including the Financing Order).

The Statute provides that the Statute shall control in any conflict between the Statute and any other law of the State of Michigan regarding the attachment and perfection and the effect of perfection and the priority of any security interest in securitization property.

See "*Security for the Bonds — Security Interest in the Collateral*" in this prospectus.

The Statute Characterizes the Transfer of Securitization Property as a True Sale and not a Secured Transaction

The Statute provides that an agreement by an electric utility or assignee to transfer securitization property that expressly states that the transfer is a sale or other absolute transfer signifies that the transaction is a true sale and is not a secured transaction and that title, legal and equitable, has passed to the entity to which the securitization property is transferred. The characterization of the transfer as a true sale is not affected by the fact that:

- the purchaser has any recourse against the seller or any other term of the parties' agreement, including the seller's retention of an equity interest in the securitization property;
- the electric utility acts as a collector of securitization charges relating to the securitization property: or
- the transfer is treated as a financing for tax, financial reporting or other purposes.

See "*Risk Factors — Risks Associated with Potential Bankruptcy Proceedings*" in this prospectus.

The Statute Provides Ownership of Securitization Bonds Not Taken Into Account for Certain Michigan Tax Purposes

The Statute provides that the acquisition, ownership and disposition of any direct interest in any securitization bond shall not be taken into account in determining whether a person is subject to any income tax, franchise tax, business activities tax, intangible property tax, excise tax, stamp tax or any other tax imposed by the State of Michigan or any agency or political subdivision of the State of Michigan.

The Financing Order

On September 18, 2020, Consumers Energy filed with the MPSC an application, referred to in this prospectus as the Application, for a financing order pursuant to the Statute in MPSC Docket No. U-20889. In its Application, Consumers Energy requested that it be given the authority, among other things, to securitize, through the issuance of securitization bonds, up to $702,800,000 in qualified costs associated with the retirement of its D.E. Karn Units 1 and 2 coal-fired generation units. Under its Application, Consumers Energy alone was proposed to be the sole Sponsor and Seller into securitization.

On December 17, 2020 in Case No. U-20889, the MPSC issued the Financing Order, which became effective on December 17, 2020. Under the Financing Order, Consumers Energy was given the authority, among other things, to securitize, through the issuance of securitization bonds, up to $688,300,000 in Qualified Costs, including $10,600,000 of Initial Other Qualified Costs.

The Statute allows a party to appeal the Financing Order to the Michigan Court of Appeals within 30 days after the Financing Order is issued. On January 15, 2021, Hemlock Semiconductor Operations, LLC filed a claim of appeal of the Financing Order. On November 18, 2021, the Michigan Court of Appeals affirmed the Financing Order.

Consumers Energy unconditionally accepted all conditions and limitations requested by the Financing Order in a letter dated January 7, 2021 from Consumers Energy to the MPSC.

As of December 31, 2021, the Financing Order was final and not subject to appeal.

In the Financing Order, the MPSC affirmed that it shall not reduce, impair, postpone, terminate or otherwise adjust the Securitization Charges approved in the Financing Order or impair the Securitization

Property or the collection of Securitization Charges or the recovery of the Qualified Costs and Ongoing Other Qualified Costs and that it will act pursuant to the Financing Order to ensure that the expected Securitization Charges are sufficient to pay on a timely basis scheduled principal of and interest on the Bonds issued pursuant to the Financing Order and the Ongoing Other Qualified Costs in connection with the Bonds. Pursuant to the provisions of the Statute and, by its terms, the Financing Order, the Securitization Charges authorized by the Financing Order are irrevocable and not subject to reduction, impairment or adjustment by further action of the MPSC, except by use of the True-Up Mechanism approved in the Financing Order.

The Financing Order also approves the structure and other key terms of the Bonds.

The Financing Order has been filed with the SEC as an exhibit to the registration statement of which this prospectus forms a part. The statements summarizing the Financing Order in this prospectus are subject to and qualified by reference to the provisions of the Financing Order.

Collection of Securitization Charges

The Financing Order authorizes Consumers Energy to collect Securitization Charges from Customers in amounts sufficient to pay on a timely basis scheduled principal of and interest on the Bonds and all Ongoing Other Qualified Costs. There is no cap on the level of Securitization Charges that may be imposed on Customers to pay on a timely basis scheduled principal of and interest on the Bonds and Ongoing Other Qualified Costs.

In accordance with the Financing Order, Securitization Charges shall be imposed for period not greater than eight years after the beginning of the first complete billing cycle during which the Securitization Charges were initially placed on any Customer's bill and shall be collected from Customers in amounts sufficient to pay principal and interest on the Bonds and Ongoing Other Qualified Costs. However, Consumers Energy may continue to collect any billed but uncollected Securitization Charges after the close of this eight-year period. Amounts of the Securitization Charges remaining unpaid after the close of this eight-year period may be recovered through use of collection activities.

Revisions to Electric Tariffs

Consumers Energy shall revise its electric tariffs in accordance with the Financing Order. Consumers Energy shall also file, no less than seven days prior to the initial imposition and billing of its Securitization Charges, revised tariff sheets reflecting all the terms of the Financing Order, including those necessary to implement the bill credit proposed by Consumers Energy. Consumers Energy shall also include necessary language in its electric tariffs to periodically provide for True-Up Adjustments to the Securitization Charges. Please see "*Consumers Energy Company — The Depositor, Sponsor, Seller and Initial Servicer — Consumers Energy Customer Base and Electric Energy Consumption*" in this prospectus.

Securitization Rate Classes and Cost Allocations; Nonbypassability

The Statute provides that the Securitization Charges are Nonbypassable. The Financing Order provides that Securitization Charges are payable by all existing and future customers as described below.

The Securitization Charges are Nonbypassable and will be assessed against and collected from Customers. Customers include all existing and future retail electric distribution customers of Consumers Energy or its successors, excluding:

- customers to the extent they obtain or use Self-Service Power;
- customers to the extent engaged in Affiliate Wheeling; and
- Current ROA Customers as of December 17, 2020 to the extent that they do not return to retail electric service after December 17, 2020.

Allocation of Payment Responsibility Among Customer Classes

Under the terms of the Financing Order, responsibility for the payment of the Securitization Charges associated with the Bonds is allocated among retail electric distribution customer classes, referred to in this prospectus as Securitization Rate Classes, based upon the allocation methodology described below.

Under the terms of the Financing Order, responsibility for the payment of the Securitization Charges associated with the Bonds is allocated among Securitization Rate Classes based upon the most recent MPSC-approved production cost allocation methodology. The current methodology (4CP 75/0/25) allocates 75% of charges to each rate class' average contribution to summer system peak demands, 0% of charges to each rate class' average contribution to on-peak energy consumption and 25% of charges to each rate class' contribution to total energy consumption. Average rate class contribution levels reflect the most recent available three year historical load profiles, applied to the most recent sales forecast. Under the Financing Order, each Securitization Rate Class is allocated a percentage responsibility for the payment of the Bonds and related costs. The Securitization Charge shall be a uniform per kWh surcharge within each class.

True-Up Mechanism

The Financing Order authorizes adjustments to the Securitization Charges to ensure the expected recovery during the succeeding annual period of amounts required for the timely payment of debt service and other required amounts and charges in connection with the Bonds. There is no cap on the level of Securitization Charges that may be imposed on Customers as a result of the True-Up Mechanism to pay on a timely basis scheduled principal of and interest on the Bonds and Ongoing Other Qualified Costs.

The Statute and the Financing Order mandate that the Securitization Charges on retail electric distribution customers be reviewed and adjusted by the MPSC at least annually to correct any overcollections or undercollections of the preceding 12 months and to ensure the expected recovery during the succeeding annual period of amounts required for the timely payment of debt service and other required amounts and charges in connection with the Bonds. True-Up Adjustments may also be made by the Servicer semi-annually or more frequently at any time, without limits as to frequency, if the Servicer determines that a True-Up Adjustment is necessary to ensure the expected recovery during the succeeding annual period of amounts required for the timely payment of debt service and other required amounts and charges in connection with the Bonds. The Servicing Agreement will require Securitization Charges to be adjusted quarterly following the Scheduled Final Payment Date for each tranche of Bonds if there are any remaining amounts due. The Financing Order provides that semi-annual or more frequent true-ups may be implemented absent an MPSC order, unless contested. Any contest of any True-Up Adjustment shall be subject only to confirmation of the mathematical computations contained in the proposed True-Up Adjustment.

Servicing Agreement

In the Financing Order, the MPSC authorized Consumers Energy, as the Servicer, to enter into a Servicing Agreement. The Servicing Agreement to be entered into by Consumers Energy is described under "*The Servicing Agreement*" in this prospectus.

Binding on Successors

The Statute provides that any successor to an electric utility, whether pursuant to any bankruptcy, reorganization or other insolvency proceeding or pursuant to any merger, acquisition, sale or transfer, by operation of law, as a result of electric utility restructuring or otherwise, shall perform and satisfy all obligations of the electric utility under the Statute in the same manner and to the same extent as the electric utility, including collecting and paying to the person entitled to revenues with respect to the Securitization Property. The Financing Order provides that the Financing Order, together with the Securitization Charges authorized by the Financing Order, shall be binding upon Consumers Energy and any of its successors or affiliates that provide distribution service directly to customers in Consumers Energy's service area as of the initial date of issuance of the Bonds.

Constitutional Matters

To date, no U.S. federal or Michigan cases addressing the repeal or amendment of securitization provisions analogous to those contained in the Statute have been decided. There have been cases in which U.S. federal courts have applied the Contract Clause of the United States Constitution or Michigan courts have applied the Contract Clause of the Michigan Constitution to strike down legislation regarding similar matters, such as legislation reducing or eliminating taxes, public charges or other sources of revenues servicing other types of bonds issued or contracts entered into by public instrumentalities or private issuers,

or otherwise substantially impairing or eliminating the security for bonds or other indebtedness or contractual obligations. Based upon this case law, Pillsbury Winthrop Shaw Pittman LLP expects to deliver an opinion, prior to the closing of the offering of the Bonds, to the effect that:

- a court of competent jurisdiction, in a properly prepared and presented case, would hold that the language of the State of Michigan's pledge creates a contractual relationship between the State of Michigan and the Holders for purposes of the Contract Clause of the United States Constitution; and
- absent a demonstration by the State of Michigan that an alteration, impairment or reduction of the type described below is justified by a significant and legitimate public purpose and that such an alteration, impairment or reduction is reasonable and necessary, the Holders (or the Indenture Trustee acting on their behalf) could successfully challenge under the Contract Clause of the United States Constitution the constitutionality of any legislation passed by the Michigan legislature that becomes law or any action of the MPSC exercising legislative powers prior to the time that the Bonds and related financing costs are fully paid and discharged that in either case alters, impairs or reduces the value of the Securitization Property or the Securitization Charges.

Miller Canfield Paddock and Stone, P.L.C. expects to deliver an opinion substantially to the same effect under the case law with respect to the Contract Clause of the Michigan Constitution. It may be possible for the Michigan legislature to repeal or amend the Statute or for the MPSC to amend or revoke the Financing Order notwithstanding the pledge of the State of Michigan, if the legislature or the MPSC acts in order to serve a significant and legitimate public purpose, such as protecting the public health and safety or responding to a national or regional catastrophe affecting Consumers Energy's service territory, or if the legislature otherwise acts in the valid exercise of the State of Michigan's police power.

In addition, any action of the Michigan legislature adversely affecting the Securitization Property or the ability to collect Securitization Charges may be considered a taking under the United States Constitution or the Michigan Constitution. Each of Pillsbury Winthrop Shaw Pittman LLP and Miller Canfield Paddock and Stone, P.L.C. has advised us that they are not aware of any U.S. federal or Michigan court cases addressing the applicability of the Takings Clause of the United States Constitution or Michigan Constitution in a situation analogous to that which would be involved in an amendment or repeal of the Statute. It is possible that a court would decline even to apply a Takings Clause analysis to a claim based on an amendment or repeal of the Statute, since, for example, a court might determine that a Contract Clause analysis rather than a Takings Clause analysis should be applied. Pillsbury Winthrop Shaw Pittman LLP expects to deliver an opinion, prior to the closing of the offering of the Bonds, to the effect that a court of competent jurisdiction, in a properly prepared and presented case, would hold that the Takings Clause of the United States Constitution would require the State of Michigan to pay just compensation to the Holders if the court determines that the State of Michigan's repeal or amendment of the Statute, or any other action taken by the State of Michigan in contravention of the State of Michigan's pledge, completely deprived the Holders of all economically beneficial use of the Securitization Property or unduly interfered with the reasonable expectations of the Holders arising from their investment in the Bonds. In determining what is an undue interference, a court would consider the nature of the governmental action, the economic impact of the governmental action on the Holders and the extent to which the governmental action interferes with distinct investment-backed expectations of the Holders. In addition, Miller Canfield Paddock and Stone, P.L.C. expects to deliver an opinion substantially to the same effect under the Takings Clause of the Michigan Constitution. In examining whether action of the Michigan legislature amounts to a regulatory taking, both U.S. federal and state courts will consider the character of the governmental action and whether such action substantially advances the legitimate governmental interests of the State of Michigan, the economic impact of the governmental action on the Holders and the extent to which the governmental action interferes with distinct investment-backed expectations. There is no assurance, however, that, even if a court were to award just compensation, it would be sufficient for you to recover fully your investment in the Bonds.

In connection with the foregoing, each of Pillsbury Winthrop Shaw Pittman LLP and Miller Canfield Paddock and Stone, P.L.C. has advised the Issuing Entity that issues relating to the Contract and Takings Clauses of the United States Constitution and Michigan Constitution are decided on a case-by-case basis and that the courts' decisions in most cases are strongly influenced by the facts and circumstances of the particular cases. Both firms have further advised us that there are no reported controlling judicial precedents

that are directly on point. The opinions described above will be subject to the qualifications included in them. The degree of impairment necessary to meet the standards for relief under either the Contract Clause or the Takings Clause could be substantially in excess of what a Holder would consider material.

We will file a copy of each of the Pillsbury Winthrop Shaw Pittman LLP and Miller Canfield Paddock and Stone, P.L.C. opinions as an exhibit to an amendment to the registration statement of which this prospectus is a part or to one of our periodic filings with the SEC.

For a discussion of risks associated with potential judicial, legislation or regulatory actions, please read "*Risk Factors — Risks Associated with Potential Judicial, Legislative or Regulatory Actions*" in this prospectus.

DESCRIPTION OF THE ISSUING ENTITY

General

The Issuing Entity is a special purpose limited liability company formed under the Delaware Limited Liability Company Act pursuant to a limited liability company agreement executed by its sole member, Consumers Energy, and the filing of a certificate of formation with the Secretary of State of the State of Delaware. The Issuing Entity was formed on August 16, 2023.

The Issuing Entity has been organized as a wholly-owned special purpose limited liability company subsidiary of Consumers Energy for the limited purposes described under "*Description of the Issuing Entity — Restricted Purposes*" in this prospectus. At the time of the issuance of the Bonds, the Issuing Entity's assets will consist primarily of the Securitization Property and the other Collateral held under the Indenture and the Series Supplement for the Bonds.

The Issuing Entity's limited liability company agreement will be amended and restated prior to the issuance date and references in this prospectus to the LLC Agreement mean the amended and restated limited liability company agreement of the Issuing Entity. The LLC Agreement restricts the Issuing Entity from engaging in activities other than those described under "*Description of the Issuing Entity — Restricted Purposes*" in this prospectus. Other than purchasing the Securitization Property and issuing the Bonds, the Issuing Entity has no business operations, but the Issuing Entity will pay its member for out-of-pocket expenses incurred by the member in connection with its services to the Issuing Entity in accordance with the LLC Agreement. Selected provisions of the LLC Agreement, a copy of which has been filed as an exhibit to the registration statement of which this prospectus is a part, are summarized below. On the date of issuance of the Bonds, the Issuing Entity's capital will be equal to 0.50% of the initial aggregate principal amount of such Bonds issued or such other amount as may allow the Bonds to achieve the desired security rating and treat the Bonds as debt under applicable guidance issued by the Internal Revenue Service, which is referred to in this prospectus as the IRS.

As of the date of this prospectus, the Issuing Entity has not carried on any business activities and has no operating history. The Issuing Entity's fiscal year end is December 31.

The Issuing Entity's assets will consist of:

- the Securitization Property;
- the Issuing Entity's rights under the Sale Agreement, under the Administration Agreement and under the Bill of Sale delivered by Consumers Energy under the Sale Agreement;
- the Issuing Entity's rights under the Servicing Agreement and any subservicing, agency, administration, intercreditor or collection agreements executed in connection with the Servicing Agreement;
- the Collection Account (including all subaccounts thereof);
- all present and future claims, demands, causes and choses in action in respect of any or all of the foregoing; and
- all payments on or under and all proceeds in respect of any of the foregoing.

The Indenture provides that the Securitization Property, as well as the other assets of the Issuing Entity, will be pledged by the Issuing Entity to the Indenture Trustee to secure the Issuing Entity's obligations in respect of the Bonds. Pursuant to the Indenture, the collected Securitization Charges remitted to the Indenture Trustee by the Servicer must be used to pay principal of and interest on the Bonds and the Issuing Entity's other obligations specified in the Indenture.

Restricted Purposes

The Issuing Entity has been created for the sole purpose of:

- financing, purchasing, owning, administering, managing and servicing the Securitization Property and the other Collateral;

- authorizing, executing, issuing, delivering and registering the Bonds;
- making payment on the Bonds;
- distributing amounts released to the Issuing Entity;
- managing, selling, assigning, pledging, collecting amounts due on, or otherwise dealing in the Securitization Property and the other Collateral and related assets;
- negotiating, executing, assuming and performing its obligations under the Basic Documents;
- pledging its interest in the Securitization Property and the other Collateral to the Indenture Trustee under the Indenture in order to secure the Bonds;
- filing with the SEC one or more registration statements, including any pre-effective or post-effective amendments thereto and any registration statement filed pursuant to the Securities Act (including any prospectus and exhibits contained therein), and filing such applications, reports, surety bonds, irrevocable consents, appointments of attorney for service of process and other papers and documents necessary or desirable to register the Bonds under the securities or "Blue Sky" laws of various jurisdictions; and
- performing activities that are necessary, suitable or convenient to accomplish these purposes.

The LLC Agreement and the Indenture do not permit the Issuing Entity to engage in any activities not directly related to these purposes, including issuing securities (other than the Bonds), borrowing money or making loans to other Persons. The list of permitted activities set forth in the LLC Agreement may not be altered, amended or repealed without the affirmative vote of a majority of the Managers of the Issuing Entity, which vote must include the affirmative vote of each independent Manager of the Issuing Entity. The LLC Agreement and the Indenture will prohibit the Issuing Entity from issuing any securitization bonds (as such term is defined in the Statute) other than the Bonds being offered pursuant to this prospectus.

The Issuing Entity's Relationship with Consumers Energy

On the issue date for the Bonds, Consumers Energy will sell Securitization Property to the Issuing Entity pursuant to the Sale Agreement between the Issuing Entity and Consumers Energy. Consumers Energy will service such Securitization Property pursuant to the Servicing Agreement between the Issuing Entity and Consumers Energy related to the Bonds. Consumers Energy will provide certain administrative services to the Issuing Entity pursuant to the Administration Agreement between the Issuing Entity and Consumers Energy.

Managers and Officers

Pursuant to the LLC Agreement, the Issuing Entity's business and affairs will be managed by or under the direction of four or more Managers designated by its member, of whom at least one will be an independent Manager, in each case appointed from time to time by Consumers Energy or, in the event Consumers Energy transfers its interest in the Issuing Entity, by the owner or owners of the Issuing Entity. Following the initial issuance of Bonds, the Issuing Entity will have at least one independent Manager, who, among other things, is an individual who:

- has prior experience as an independent director, independent manager or independent member for special-purpose entities;
- is employed by a nationally-recognized company that provides professional independent managers and other corporate services in the ordinary course of its business;
- is duly appointed as an independent manager; and
- is not and has not been for at least five years from the date of his or her appointment, and while serving as an independent manager will not be, any of the following:
  - a member (other than as a special member), partner, or equityholder, manager, director, officer, agent, consultant, attorney, accountant, advisor or employee of the Issuing Entity, Consumers Energy or any of their respective equityholders or affiliates (other than as an independent director,

independent manager or special member of the Issuing Entity or an affiliate of the Issuing Entity that is a special purpose bankruptcy-remote entity); provided, that the indirect or beneficial ownership of stock of Consumers Energy or its affiliates through a mutual fund or similar diversified investment vehicle with respect to which the owner does not have discretion or control over the investments held by such diversified investment vehicle shall not preclude such owner from being an independent manager;

- a creditor, supplier or service provider (including provider of professional services) to the Issuing Entity, Consumers Energy or any of their respective equityholders or affiliates (other than a nationally-recognized company that routinely provides professional independent managers and other corporate services to the Issuing Entity, Consumers Energy or any of their affiliates in the ordinary course of its business);
- a family member of any of the foregoing; or
- a Person who controls (whether directly, indirectly or otherwise) any of the foregoing.

Consumers Energy, as the sole member of the Issuing Entity, will appoint each independent Manager.

The Issuing Entity does not have any Managers or officers as of the date of this prospectus. The following is a list of the Managers and executive officers of the Issuing Entity that will be appointed pursuant to the LLC Agreement as of the issuance date:

Name	Age	Title	Background
Jason M. Shore	47	President, Chief Executive Officer, Chief Financial Officer and Treasurer	Jason M. Shore is Executive Director of Treasury and Capital Markets for CMS Energy and Consumers Energy. He was named to this position in 2021. Prior to his current position, he served as Executive Director of Budget, Planning & Analysis. Mr. Shore joined CMS Energy and Consumers Energy in 1998 as a General Accounting Analyst.
Rejji P. Hayes	49	Manager and Executive Vice President	Rejji P. Hayes is Executive Vice President and Chief Financial Officer of CMS Energy and Consumers Energy. He was named to this position in 2017. Mr. Hayes joined CMS Energy from ITC Holdings Corp., a regulated electric transmission utility, where he served as executive vice president and chief financial officer. Mr. Hayes is a Fortive Corporation (NYSE: FTV) board member and serves as chair of the audit committee. He also serves on the boards of Amherst College, Business Leaders for Michigan and the Detroit Regional Chamber.
Shaun M. Johnson	44	Manager, Senior Vice President and General Counsel	Shaun M. Johnson is Senior Vice President and General Counsel of CMS Energy and Consumers Energy. He was named to this position in 2019. Mr. Johnson joined CMS Energy as Vice President and Deputy General Counsel in 2016. Mr. Johnson also serves on the board of the Michigan Chamber of Commerce.

Name	Age	Title	Background
Melissa M. Gleespen	55	Manager, Vice President and Secretary	Melissa M. Gleespen is Vice President, Corporate Secretary and Chief Compliance Officer for CMS Energy and Consumers Energy. Ms. Gleespen was elected as Vice President and Corporate Secretary in 2013 and was elected Chief Compliance Officer in 2016. She joined CMS Energy in 2013 as Supervisory Assistant General Counsel.
Scott B. McIntosh	47	Vice President and Controller	Scott B. McIntosh is Vice President, Controller and Chief Accounting Officer for CMS Energy and Consumers Energy. Mr. McIntosh was elected to this position in 2021. Mr. McIntosh joined Consumers Energy in 2004 and has held increasingly responsible tax positions, including Vice President of Tax.
Albert J. Fioravanti	59	Independent Manager	Albert J. Fioravanti is the office leader at TMF Group New York. He joined Lord Securities, now TMF Group, in December 1999 and oversees all the functions of the office, including the accounting and administering financing transactions serviced by TMF. In connection with TMF's corporate governance practice, he serves as an officer and director for a variety of securitization and structured finance engagements. Since 2014, Mr. Fioravanti has also served as an Independent Manager of Consumers 2014 Securitization Funding LLC.

None of the Managers or officers listed above has been involved in any legal proceedings that are specified in Item 401(f) of the SEC's Regulation S-K. None of the Managers or officers listed above beneficially own any equity interest in the Issuing Entity.

Manager Fees and Limitations on Liability

The Issuing Entity will not compensate its Managers, other than each independent Manager, for their services on behalf of the Issuing Entity. To the extent permitted by applicable law, the Issuing Entity may reimburse any Manager, directly or indirectly, for out-of-pocket expenses incurred by such Manager in connection with its services rendered to the Issuing Entity. The Issuing Entity will pay the annual fees of each independent Manager from its revenues and will reimburse each independent Manager for reasonable out-of-pocket expenses. These expenses include the reasonable compensation, expenses and disbursements of the agents, representatives, experts and counsel that any independent Manager may employ in connection with the exercise and performance of his or her rights and duties under the LLC Agreement.

The LLC Agreement provides that, to the extent permitted by law, the Managers will not be personally liable for any of the Issuing Entity's debts, obligations or liabilities. The LLC Agreement further provides that, except as described below, to the fullest extent permitted by law, the Issuing Entity will indemnify the Managers against any liability incurred in connection with their services as Managers for the Issuing Entity if they acted in good faith and in a manner that they reasonably believed to be in or not opposed to the Issuing Entity's best interests. With respect to a criminal action, the Managers will be indemnified unless they had reasonable cause to believe their conduct was unlawful. The Issuing Entity will not indemnify any Manager for any judgment, penalty, fine or other expense directly caused by such Manager's fraud, gross

negligence or willful misconduct (or, in the case of an independent Manager, bad faith or willful misconduct). In addition, unless ordered by a court, the Issuing Entity will not indemnify the Managers if a final adjudication establishes that their acts or omissions involved intentional misconduct, fraud or a knowing violation of the law and were material to the cause of action. The Issuing Entity will pay any indemnification amounts owed to the Managers out of funds in the Collection Account, subject to the priority of payments described under "*Security for the Bonds — How Funds in the Collection Account will be Allocated*" in this prospectus.

The Issuing Entity is a Separate and Distinct Legal Entity from Consumers Energy

Under the LLC Agreement, the Issuing Entity may not file a voluntary petition for relief under the Bankruptcy Code, without the affirmative vote of Consumers Energy, the sole member of the Issuing Entity, and the affirmative vote of all of its Managers, including each independent Manager. Consumers Energy has agreed that it will not cause the Issuing Entity to consent to an involuntary petition for relief under the Bankruptcy Code. The LLC Agreement requires the Issuing Entity, except for financial reporting purposes (to the extent required by generally accepted accounting principles) and for U.S. federal income tax purposes, and, to the extent consistent with applicable state tax law, state income and franchise tax purposes, to maintain its existence separate from Consumers Energy, including:

- taking all necessary steps to continue its identity as a separate legal entity;
- making it apparent to third parties that the Issuing Entity is an entity with assets and liabilities distinct from those of Consumers Energy, affiliates of Consumers Energy or any other Person; and
- making it apparent to third parties that, except for federal and certain other tax purposes, the Issuing Entity is not a division of Consumers Energy or any of its affiliated entities or any other Person.

The Administration Agreement

Consumers Energy will, pursuant to an Administration Agreement between Consumers Energy and the Issuing Entity, provide administrative services to the Issuing Entity, including, among others, services relating to the preparation of financial statements, required filings with the SEC, any tax returns the Issuing Entity may be required to file under applicable law, qualifications to do business, and minutes of the Issuing Entity's Managers' meetings. The Issuing Entity will pay Consumers Energy a fixed fee of $50,000 per annum, payable in installments of $25,000 on each Payment Date for performing these services, plus the Issuing Entity will reimburse Consumers Energy for all costs and expenses for services performed by unaffiliated third parties and actually incurred by Consumers Energy in performing such services described above.

CONSUMERS ENERGY COMPANY — THE DEPOSITOR, SPONSOR, SELLER AND INITIAL SERVICER

General

Consumers Energy will be the Seller and Initial Servicer of the Securitization Property securing the Bonds, and will be the Depositor and Sponsor of the securitization in which Bonds covered by this prospectus are issued.

Consumers Energy was incorporated in Maine in 1910 and became a Michigan corporation in 1968. Consumers Energy, a wholly-owned subsidiary of CMS Energy, is a public electric and gas utility company serving Michigan's lower peninsula. Consumers Energy owns and operates electric generation and distribution facilities and gas transmission, storage and distribution facilities. Consumers Energy serves individuals and businesses operating in the alternative energy, automotive, chemical, food and metal products industries, as well as a diversified group of other industries. Consumers Energy provides electricity and/or natural gas to approximately 6.7 million of Michigan's 10 million residents. During the twelve months ended December 31, 2022, Consumers Energy's electric utility operations generated operating revenue of approximately $5.4 billion and delivered approximately 33 billion kWh of electricity to its customers in Michigan, excluding ROA customers.

Consumers Energy is subject to the jurisdiction of the Federal Energy Regulatory Commission under the Federal Power Act with respect to acquisitions, operations and disposals of certain assets and facilities, services provided and rates charged, and conduct among affiliates. The Federal Energy Regulatory Commission also regulates certain aspects of Consumers Energy's electric operations, including compliance with Federal Energy Regulatory Commission accounting rules, wholesale and transmission rates, operation of licensed hydroelectric generating plants, transfers of certain facilities, corporate mergers, and issuances of securities.

Consumers Energy is regulated by the MPSC with respect to retail utility rates, accounting, utility services, certain facilities, certain asset transfers, corporate mergers and other matters.

Following the sale of the Securitization Property to the Issuing Entity, Consumers Energy will have no ownership or other interest in the Securitization Property transferred to the Issuing Entity and will have no right to receive any Securitization Charges (other than to collect the Securitization Charges as Servicer on the Issuing Entity's behalf). Neither Consumers Energy nor any of its affiliates will purchase any Bonds.

Consumers Energy Customer Base and Electric Energy Consumption

Consumers Energy's Customer base consists of four broad Customer rate classes: residential, secondary, primary and streetlighting. The Securitization Rate Classes share this same delineation as reflected in the four different consumption-based securitization rate designs. These designs consider the wide range of load characteristics served under each Customer class.

The following tables show the electricity delivered to Customers, electric delivery revenues and number of Customers for each of the four Securitization Rate Classes for the years ended December 31, 2022, 2021, 2020, 2019 and 2018. There can be no assurances that the electricity sales, electric revenues and number of Customers or the composition of any of the foregoing will remain at or near the levels reflected in the following tables.

Electricity Delivered to Michigan Customers, Total Billed Electric Revenues and Customers

Electric Usage (As Measured by Billed GWh Sales) by Securitization Rate Class and Percentage Composition*

Securitization Rate Class	Year Ended December 31, 2018		Year Ended December 31, 2019		Year Ended December 31, 2020		Year Ended December 31, 2021		Year Ended December 31, 2022	
Residential	13,051	38.3%	12,485	38.2%	13,331	42.4%	13,229	41.1%	12,977	39.1%
Secondary	7,531	22.1%	7,236	22.1%	6,871	21.9%	7,237	22.5%	7,312	22.0%
Primary	13,335	39.2%	12,826	39.3%	11,095	35.3%	11,642	36.1%	12,818	38.6%
Streetlighting	135	0.4%	129	0.4%	119	0.4%	110	0.3%	109	0.3%
Total Retail	**34,053**	**100.0%**	**32,675**	**100.0%**	**31,416**	**100.0%**	**32,217**	**100.0%**	**33,216**	**100.0%**

* Totals may not add up to 100% or to the exact dollar amount due to rounding.

Total Billed Electric Revenue by Securitization Rate Class and Percentage Composition (Dollars in Millions)*

Securitization Rate Class	Year Ended December 31, 2018		Year Ended December 31, 2019		Year Ended December 31, 2020		Year Ended December 31, 2021		Year Ended December 31, 2022	
Residential	$2,070	47.7%	$1,979	46.9%	$2,079	50.5%	$2,398	51.6%	$2,350	50.0%
Secondary	$1,087	25.0%	$1,069	25.4%	$1,017	24.7%	$1,150	24.8%	$1,148	24.4%
Primary	$1,156	26.6%	$1,136	27.0%	$ 990	24.1%	$1,067	23.0%	$1,170	24.9%
Streetlighting	$ 30	0.7%	$ 31	0.7%	$ 29	0.7%	$ 29	0.6%	$ 29	0.6%
Total Retail	**$4,342**	**100.0%**	**$4,215**	**100.0%**	**$4,114**	**100.0%**	**$4,644**	**100.0%**	**$4,697**	**100.0%**

Service Territory Number of Average Metered Customers and Percentage Composition*

Securitization Rate Class	Year Ended December 31, 2018		Year Ended December 31, 2019		Year Ended December 31, 2020		Year Ended December 31, 2021		Year Ended December 31, 2022	
Residential	1,603,125	87.8%	1,611,320	87.7%	1,630,424	87.9%	1,642,642	87.8%	1,645,580	87.8%
Secondary	217,475	11.9%	219,496	12.0%	219,167	11.8%	221,294	11.8%	222,073	11.8%
Primary	3,706	0.2%	3,725	0.2%	3,751	0.2%	3,835	0.2%	3,876	0.2%
Streetlighting	1,860	0.1%	2,127	0.1%	2,330	0.1%	2,352	0.1%	3,490	0.2%
Total Retail	**1,826,166**	**100.0%**	**1,836,668**	**100.0%**	**1,855,672**	**100.0%**	**1,870,123**	**100.0%**	**1,875,019**	**100.0%**

* Totals may not add up to 100% or to the exact dollar amount due to rounding.

Forecasting Electricity kWh Consumption

Consumers Energy produces its kilowatt-hour forecast in the third quarter of each year, or more frequently when deemed necessary, for planning purposes. These forecasts are the basis for earnings projections as well as capacity/generation planning. The forecast cycle completed during the third quarter each year is typically adopted as Consumers Energy's official budget. Consumers Energy monitors the accuracy of each forecast by conducting variance analysis on a monthly basis, taking into account abnormal weather impacts on kWh consumption.

Consumers Energy uses econometric models to predict kWh use per customer and customer counts for its residential and commercial customer classes. The kWh consumption forecast for these two classes is the product of the kWh use per customer and customer count forecasts. Econometric models are also used to predict the industrial customer class kWh consumption. KWh consumptions are estimated for all other customer classes based on current trends and forward-looking assumptions. Weather, in the form of cooling and heating degree days, is used as the primary explanatory driver in the econometric models. Air conditioning equipment saturation, demographics and economic trends are also included as explanatory drivers. The econometric methods used to predict kWh use per customer, customer counts and kWh consumptions are widely used throughout the electric utility industry. Consumers Energy uses current kWh consumption trends and forward-looking assumptions to allocate the kWh and customer count forecasts down to the rate classification level (residential, commercial, industrial and streetlighting classes) used in forecasting revenue collections.

Variance For Ultimate Electric Delivery (GWh)

	Year Ended December 31, 2018	Year Ended December 31, 2019	Year Ended December 31, 2020	Year Ended December 31, 2021	Year Ended December 31, 2022
TOTAL					
Forecast[(1)]	33,770	33,983	32,866	31,618	33,342
Actual	34,053	32,675	31,416	32,217	33,216
Variance (%)	0.8%	-3.8%	-4.4%	1.9%	-0.4%

(1) Forecasts assume normal weather expectations.

Variances among the four Securitization Rate Classes, which are used to allocate payment responsibility for the Bonds, may differ from the variances shown above, as the classifications are more specific.

Billings and Collections

The Servicer of the Bonds will bill Customers for the Securitization Charges attributable to them and the Servicer will also collect payments of the Securitization Charges as described under "*The Servicing Agreement — Servicing Procedures*". The Servicer will not pay any shortfalls resulting from the failure of any Customer to pay Securitization Charge collections. If a Customer defaults in the payment of Securitization Charges, the Servicer will implement collection procedures as described below.

Credit Policy

Consumers Energy's Michigan credit and collections policies are regulated by the MPSC and must comply with applicable state and federal laws and regulations. Under MPSC Regulations, Consumers Energy is obligated to provide electric distribution service to Customers within its Michigan service territory.

On application for service, the identification and credit standing of Customers is verified by previous payment history if available. A new applicant for service will generally be assessed a security deposit if the applicant has a previous bankruptcy, charge-off or poor payment history. If an applicant for residential service refuses to provide a Social Security number, drivers' license number or some other acceptable form of identification, service will not be provided. If the Customer has been terminated for nonpayment, a security deposit will generally be required. The residential deposit is set at 1/12th of estimated annual usage. A new applicant for nonresidential service will generally be assessed a security deposit if the applicant has a previous bankruptcy, charge-off or poor payment history. This can be done through providing a security deposit (twice the average estimated monthly electricity bill), furnishing a surety bond and/or a bank letter of credit.

According to MPSC Regulations, Consumers Energy may refuse to provide service, at any location, to an applicant who is indebted to it for any service previously furnished to the applicant. Consumers Energy will commence service, however, if a reasonable payment plan for the indebtedness is agreed to by the residential applicant and the company, and it may likewise commence service for an industrial or commercial applicant.

MPSC Regulations and Consumers Energy's tariff allow certain classes of Customers to elect to be billed on an Equal Payment Plan budget billing program. For Equal Payment Plan Customers, Consumers Energy estimates total service in advance for an equal payment period, typically one year, and bills are rendered monthly on the basis of one eleventh of that estimate (or for payment periods of less than one year, one divided by the number of months in the applicable period). If the charges for actual service during the equal payment period exceed the bills as rendered, the amount of such excess must be paid on or before the due date of the bill covering the last month of the payment period; if the charges for actual service used are less than the amount paid by the Equal Payment Plan Customer, the amount of such overpayment must be refunded to the Customer or credited on the last bill of the equal payment period. For Equal Payment Plan Customers, all refunds and credits will be applied based on the portion of their bills not constituting Securitization Charges, and therefore no payments of Securitization Charges will be refunded or credited to these Customers in the event of overpayment.

Billing

Consumers Energy bills its Customers about once every 30 days in 21 billing portions, with approximately an equal number of electricity bills being distributed each Business Day. For the year ended December 31, 2022, Consumers Energy made available an average of 89,386 electricity bills plus notices of disconnection on each Business Day to Customers in various categories.

As of December 31, 2022, approximately 283,397 of Consumers Energy's residential and small business Customers in Michigan, who constitute approximately 15% of Consumers Energy's Michigan Customers, had chosen to be billed using the Equal Payment Plan budget billing program described above.

For accounts with potential billing errors, exception alerts and reports are generated for manual review by billing personnel. This review examines accounts that have abnormally high or low electricity bills, potential meter-reading errors and possible meter malfunctions.

Collection Process

Consumers Energy receives, and expects that it will continue to receive, the majority of Customer payments via electronic payments (ACH and credit/debit cards) and the U.S. mail. However, other payment options, such as direct payment offices and authorized pay stations, are also available.

Consumers Energy considers residential Customer electricity bills to be delinquent if they are unpaid five days after the bill due date. Consumers Energy considers nonresidential Customer electricity bills to be delinquent if they are unpaid five days after the bill due date. In general, Consumers Energy's collection process begins when balances are unpaid for five days or more from the bill due date. At that time Consumers Energy begins collection activities, including multiple delinquency notice mailings and telephone calls, and ending with electricity shut-off. Consumers Energy uses collection agencies as needed throughout the collection process.

The Servicer may change its collection policies and procedures, consistent with MPSC guidelines, the Financing Order and applicable laws and regulations, from time to time.

Loss Experience

The following table sets forth information relating to the annual net charge-offs for Consumers Energy, including net charge-offs of Customers as part of Consumers Energy's annual charge-off reconciliation process.

Net Charge-Offs as a Percentage of Billed Distribution Revenues

	2018	2019	2020	2021	2022
Billed Electric Revenues ($ in millions)	$4,342.4	$4,215.2	$4,114.1	$4,644.3	$4,696.7
Net Charge-Offs ($ in millions)	$ 16.7	$ 15.9	$ 14.9	$ 15.5	$ 18.8
Percentage of Billed Revenue	0.38%	0.38%	0.36%	0.33%	0.40%

Days Outstanding

The following table sets forth information relating to the number of days that Consumers Energy's bills remained outstanding during the calendar year (or other period referred to below) ending on each of the dates referred to below.

Days Outstanding

	As Of 12/31/18	As Of 12/31/19	As Of 12/31/20	As Of 12/31/21	As Of 12/31/22
Days Outstanding	44.83	42.50	43.63	42.04	40.51

Delinquencies

The following table sets forth information relating to the delinquency experience of Consumers Energy as of each of the dates shown below.

Delinquencies as a Percentage of Total Billed Revenues

	As Of 12/31/18	As Of 12/31/19	As Of 12/31/20	As Of 12/31/21	As Of 12/31/22
01 – 30 days	0.72%	0.99%	1.11%	1.00%	0.87%
31 – 60 days	0.20%	0.16%	0.22%	0.21%	0.27%
61 – 90 days	0.10%	0.08%	0.12%	0.10%	0.10%
91+ days	0.19%	0.17%	0.39%	0.19%	0.18%
Total*	**1.21%**	**1.41%**	**1.85%**	**1.49%**	**1.43%**

* Total may not add up due to rounding.

Servicing Experience

In 2001, Consumers Energy sponsored and acted as servicer for securitization bonds issued by Consumers Funding LLC in the aggregate principal amount of $468,592,000, which have been repaid in full. In addition, Consumers Energy sponsored and has acted as servicer for the Series 2014A Securitization Bonds issued by Consumers 2014 Securitization Funding LLC in the original aggregate principal amount of $378,000,000. The Series 2014A Securitization Bonds were issued in three tranches. Tranche A-1 of the Series 2014A Securitization Bonds has been repaid in full. Tranche A-2 of the Series 2014A Securitization Bonds has a final legal maturity date of November 1, 2025, and Tranche A-3 of the Series 2014A Securitization Bonds has a final legal maturity date of May 1, 2029. The scheduled final payment date of Tranche A-2 of the Series 2014A Securitization Bonds is November 1, 2024, and the scheduled final payment date of Tranche A-3 of the Series 2014A Securitization Bonds is May 1, 2028. Since the date of issuance of each such series of securitization bonds, Consumers Energy has filed on a timely basis all true-up filings required for such securitization bonds, and the issuing entities of such securitization bonds have satisfied, on a timely basis, all interest payments and have made all principal payments on such securitization bonds in accordance with their respective expected amortization schedules. Consumers Energy services the Series 2014A Securitization Bonds in accordance with servicing standards that are substantially similar to those set forth in Consumers Energy's Servicing Agreement with the Issuing Entity. Please read "*Relationship to the Series 2014A Securitization Bonds*" in this prospectus.

Executive Offices

Consumers Energy's principal executive offices are located at One Energy Plaza, Jackson, Michigan 49201. The phone number at this address is (517) 788-0550.

Where to Find Information About Consumers Energy

Consumers Energy's annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and any amendments to those reports are made available on CMS Energy's website, www.cmsenergy.com, free of charge, as soon as reasonably practicable after they are filed with or furnished to the SEC. The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at www.sec.gov. No information on these websites constitutes a part of the registration statement of which this prospectus forms a part.

RELATIONSHIP TO THE SERIES 2014A SECURITIZATION BONDS

The Bonds are the third series of securitization bonds that Consumers Energy has sponsored that are secured by securitization property created under the Statute.

Pursuant to a financing order and order on rehearing issued by the MPSC on October 24, 2000 and January 4, 2001, respectively, under the Statute, Consumers Energy sold securitization property to its wholly-owned subsidiary, Consumers Funding LLC. In November 2001, Consumers Funding LLC issued $468,592,000 of securitization bonds, which were issued to recover Consumers Energy's generation-related regulatory assets. Those securitization bonds have been repaid in full.

On July 22, 2014, Consumers Energy sold securitization property to its wholly-owned subsidiary Consumers 2014 Securitization Funding LLC, which issued and sold $378,000,000 aggregate principal amount of Series 2014A Securitization Bonds, all in accordance with a financing order issued by the MPSC on December 6, 2013 pursuant to the Statute. After giving effect to payments on the Series 2014A Securitization Bonds on the November 1, 2023 semi-annual payment date, the Series 2014A Securitization Bonds had $141,234,292.38 in aggregate principal amount outstanding, which was equal to the amount set forth in the expected amortization schedule for the Series 2014A Securitization Bonds. The Series 2014A Securitization Bonds were issued in three tranches. Tranche A-1 of the Series 2014A Securitization Bonds has been repaid in full. Tranche A-2 of the Series 2014A Securitization Bonds has a final legal maturity date of November 1, 2025, and Tranche A-3 of the Series 2014A Securitization Bonds has a final legal maturity date of May 1, 2029. The scheduled final payment date of Tranche A-2 of the Series 2014A Securitization Bonds is November 1, 2024, and the scheduled final payment date of Tranche A-3 of the Series 2014A Securitization Bonds is May 1, 2028. Consumers Energy currently acts as servicer with respect to the Series 2014A Securitization Bonds in accordance with servicing standards that are substantially similar to those set forth in Consumers Energy's Servicing Agreement with the Issuing Entity. Consumers 2014 Securitization Funding LLC will have no obligations under the Bonds, and the Issuing Entity has no obligations under the Series 2014A Securitization Bonds. The collateral for the Bonds will be separate from the collateral for the Series 2014A Securitization Bonds, which were issued by a different issuing entity from the Issuing Entity, and Holders of the Bonds will have no recourse to the collateral from that other issuance.

Since the date of issuance of the securitization bonds issued in November 2001 and the Series 2014A Securitization Bonds, Consumers Energy has filed on a timely basis all true-up filings required for such securitization bonds, and the issuing entities of such securitization bonds have satisfied, on a timely basis, all interest payments and have made all principal payments on such securitization bonds in accordance with their respective expected amortization schedules.

Securitization Charges relating to the Bonds and securitization charges relating to the Series 2014A Securitization Bonds will be collected through single bills to individual customers. In the event a customer does not pay in full all amounts owed under any bill, including securitization charges, Consumers Energy, as servicer, is required to allocate any resulting shortfalls in securitization charges ratably based on the amounts of Securitization Charges owing in respect of the Bonds, amounts owing in respect to the Series 2014A Securitization Bonds, and any amounts owing to any subsequently created affiliate of Consumers Energy that issues securitization bonds.

DESCRIPTION OF THE BONDS

General

We have summarized below selected provisions of the Indenture and the Bonds. A form of Indenture and Series Supplement are filed as exhibits to the registration statement of which this prospectus forms a part. Please read "*Where You Can Find More Information*" in this prospectus.

The Bonds are not a debt or obligation of the State of Michigan and are not a charge on its full faith and credit or taxing power. Neither Consumers Energy nor any of its affiliates will guarantee or insure the Bonds. Financing orders authorizing the issuance of securitization bonds do not constitute a pledge of the faith and credit of the State of Michigan or of any of its political subdivisions. The issuance of the Bonds under the Statute will not directly, indirectly or contingently obligate the State of Michigan or any county, municipality or other political subdivision of the State of Michigan to levy or to pledge any form of taxation for the Bonds or to make any appropriation for their payment.

The Issuing Entity will issue the Bonds and secure their payment under the Indenture that it will enter into with The Bank of New York Mellon, as indenture trustee, referred to in this prospectus as the Indenture Trustee. The Issuing Entity will issue the Bonds in minimum denominations of $2,000 and in integral multiples of $1,000 in excess thereof, except that the Issuing Entity may issue one Bond in each tranche in a smaller denomination. The expected weighted average life, initial principal balance, Scheduled Final Payment Date, Final Maturity Date and interest rate for each tranche of the Bonds are stated in the table below:

Tranche	Expected Weighted Average Life (Years)	Initial Principal Balance	Scheduled Final Payment Date	Final Maturity Date	Interest Rate
A-1	1.78	$250,000,000	3/1/2027	3/1/2028	5.55%
A-2	5.12	$396,000,000	9/1/2030	9/1/2031	5.21%

The Scheduled Final Payment Date for each tranche of the Bonds is the date when the outstanding principal balance of that tranche will be reduced to zero if the Issuing Entity makes payments according to the expected sinking fund schedule. The Final Maturity Date for each tranche of Bonds is the date when the Issuing Entity is required to pay the entire remaining unpaid principal balance, if any, of all outstanding Bonds of that tranche. The failure to pay principal of any tranche of Bonds by the applicable Final Maturity Date is an Event of Default, but the failure to pay principal of any tranche of Bonds by the applicable Scheduled Final Payment Date will not be an Event of Default. Please read "*Description of the Bonds — Interest Payments*", "*Description of the Bonds — Principal Payments*" and "*Description of the Bonds — Events of Default; Rights Upon Event of Default*" in this prospectus.

Payment and Record Dates and Payment Sources

Beginning September 1, 2024, the Issuing Entity will make payments of principal and interest on the Bonds semi-annually on March 1 and September 1 of each year, or, if that day is not a Business Day, the following Business Day (each such date referred to in this prospectus as a Payment Date). So long as the Bonds are in book-entry form, on each Payment Date, the Issuing Entity will make interest and principal payments to the Persons who are the holders of record as of the Business Day immediately prior to that Payment Date, which is referred to in this prospectus as the Record Date. On each Payment Date, the Issuing Entity will pay amounts on outstanding Bonds from amounts available in the Collection Account (including the subaccounts thereof) held pursuant to the Indenture in the priority set forth under "*Security for the Bonds — How Funds in the Collection Account will Be Allocated*" in this prospectus. These available amounts, which will include amounts collected by the Servicer for the Issuing Entity with respect to the Securitization Charges, are described in greater detail under "*Security for the Bonds — How Funds in the Collection Account will be Allocated*" and "*The Servicing Agreement — Remittances to Collection Account*" in this prospectus.

Interest Payments

Interest on the Bonds will accrue from and including the issue date to but excluding the first Payment Date, and thereafter from and including the previous Payment Date to but excluding the applicable Payment Date until the Bonds have been paid in full, at the interest rate indicated on the cover of this prospectus and in the table above. We will calculate interest on the Bonds on the basis of a 360-day year of twelve 30-day months.

On each Payment Date, the Issuing Entity will pay interest on the Bonds equal to the following amounts:

- if there has been a payment default, any interest payable but unpaid on any prior Payment Date, together with interest on such unpaid interest, if any; and
- accrued interest on the principal balance of the Bonds as of the close of business on the preceding Payment Date (or with respect to the initial Payment Date, the date of the original issuance of the Bonds) after giving effect to all payments of principal made on the preceding Payment Date, if any.

The Issuing Entity will pay interest on the Bonds before it pays principal on the Bonds. Interest payments will be made from collections of Securitization Charges, including amounts available in the Excess Funds Subaccount and, if necessary, the amounts available in the Capital Subaccount.

Principal Payments

On each Payment Date, the Issuing Entity will pay principal of the Bonds to the Holders equal to the sum, without duplication, of:

- the unpaid principal amount of the Bonds if the applicable Final Maturity Date is on that Payment Date, plus
- the unpaid principal amount of the Bonds upon acceleration following an Event of Default relating to the Bonds, plus
- any overdue payments of principal, plus
- any unpaid and previously scheduled payments of principal, plus
- the principal scheduled to be paid on the Bonds on that Payment Date,

but only to the extent funds are available in the Collection Account (including the subaccounts thereof) after payment of certain of the Issuing Entity's fees and expenses and after payment of interest as described under "*Description of the Bonds — Interest Payments*" in this prospectus. If the Indenture Trustee receives insufficient collections of Securitization Charges for any Payment Date, and amounts in the Collection Account (including the subaccounts thereof) are not sufficient to make up the shortfall, principal of the Bonds may be payable later than expected. Please read "*Risk Factors — Other Risks Associated with the Purchase of the Bonds*" in this prospectus. To the extent funds are so available, we will make scheduled payments of principal of the Bonds in the following order:

(1) to the Holders of the tranche A-1 Bonds, until the principal balance of that tranche has been reduced to zero; and

(2) to the Holders of the tranche A-2 Bonds, until the principal balance of that tranche has been reduced to zero.

However, on any Payment Date, unless an Event of Default has occurred and is continuing and the Bonds have been declared due and payable, the Indenture Trustee will make principal payments on the Bonds only until the outstanding principal balance of the Bonds has been reduced to the principal balance specified in the expected amortization schedule for that Payment Date. Accordingly, principal of the Bonds may be paid later, but not sooner, than reflected in the expected amortization schedule, except in the case of an acceleration. The entire unpaid principal balance of each tranche of the Bonds will be due and payable on the applicable Final Maturity Date. The failure to make a scheduled payment of principal on the Bonds because there are not sufficient funds in the Collection Account (or the subaccounts thereof) does not

constitute a default or an Event of Default under the Indenture, except for the failure to pay in full the unpaid balance of a tranche upon the applicable Final Maturity Date.

Unless the Bonds have been accelerated following an Event of Default, any excess funds remaining in the Collection Account after payment of principal, interest, investment earnings on deposit in the Capital Subaccount, applicable fees and expenses and payments to the applicable subaccounts of the Collection Account will be retained in the Excess Funds Subaccount until applied on a subsequent Payment Date.

If an Event of Default (other than a breach by the State of Michigan of the State Pledge) has occurred and is continuing, then the Indenture Trustee or the Holders of a majority in principal amount of the Bonds then outstanding may declare the Bonds to be immediately due and payable, in which event the entire unpaid principal amount of the Bonds, together with accrued and unpaid interest thereon through the date of acceleration, will become immediately due and payable. Please read "*Description of the Bonds — Events of Default; Rights Upon Event of Default*" in this prospectus. However, the nature of the Issuing Entity's business will result in payment of principal upon an acceleration of the Bonds being made as funds become available. Please read "*Risk Factors — Risks Associated with the Unusual Nature of the Securitization Property — Foreclosure of the Indenture Trustee's lien on the Securitization Property for the Bonds might not be practical, and acceleration of the Bonds before maturity might have little practical effect*" and "*Risk Factors — Risk Associated with Limited Source of Funds for Payment — You may experience material payment delays or incur a loss on your investment in the Bonds because the source of funds for payment is limited*" in this prospectus.

The expected sinking fund schedule below sets forth the corresponding principal payment that is scheduled to be made on each Payment Date for each tranche of the Bonds from the issuance date to the Scheduled Final Payment Date for such tranche. Similarly, the expected amortization schedule below sets forth the principal balance that is scheduled to remain outstanding on each Payment Date for each tranche of the Bonds from the issuance date to the Scheduled Final Payment Date for such tranche.

Expected Sinking Fund Schedule

Semi-Annual Payment Date	Tranche A-1	Tranche A-2
Closing Date	$ 0.00	$ 0.00
9/1/2024	$ 57,596,092.08	$ 0.00
3/1/2025	$ 41,734,168.35	$ 0.00
9/1/2025	$ 42,970,334.42	$ 0.00
3/1/2026	$ 44,243,115.72	$ 0.00
9/1/2026	$ 45,553,596.81	$ 0.00
3/1/2027	$ 17,902,692.62	$ 29,000,201.72
9/1/2027	$ 0.00	$ 48,235,462.69
3/1/2028	$ 0.00	$ 49,569,896.76
9/1/2028	$ 0.00	$ 50,941,247.95
3/1/2029	$ 0.00	$ 52,350,537.57
9/1/2029	$ 0.00	$ 53,798,815.20
3/1/2030	$ 0.00	$ 55,287,159.42
9/1/2030	$ 0.00	$ 56,816,678.69
Total Payments	**$250,000,000.00**	**$396,000,000.00**

The Issuing Entity cannot assure you that the principal balance of any tranche of the Bonds will be reduced at the rate indicated in the table above. The actual reduction in principal balance may occur more slowly. The actual reduction in tranche principal balances may occur more slowly. The actual reduction in tranche principal balances will not occur more quickly than indicated in the above table, except in the case of acceleration due to an Event of Default under the Indenture. The Bonds will not be in default if principal is not paid as specified in the schedule above unless the principal of any tranche of the Bonds is not paid in full on or before the Final Maturity Date of that tranche.

Expected Amortization Schedule
Outstanding Principal Balance Per Tranche

Semi-Annual Payment Date	Tranche A-1	Tranche A-2
Closing Date	$250,000,000.00	$396,000,000.00
9/1/2024	$192,403,907.92	$396,000,000.00
3/1/2025	$150,669,739.57	$396,000,000.00
9/1/2025	$107,699,405.15	$396,000,000.00
3/1/2026	$ 63,456,289.43	$396,000,000.00
9/1/2026	$ 17,902,692.62	$396,000,000.00
3/1/2027	$ 0.00	$366,999,798.28
9/1/2027	$ 0.00	$318,764,335.59
3/1/2028	$ 0.00	$269,194,438.83
9/1/2028	$ 0.00	$218,253,190.88
3/1/2029	$ 0.00	$165,902,653.31
9/1/2029	$ 0.00	$112,103,838.11
3/1/2030	$ 0.00	$ 56,816,678.69
9/1/2030	$ 0.00	$ 0.00

On each Payment Date, the Indenture Trustee will make principal payments to the extent the principal balance of each tranche of the Bonds exceeds the amount indicated for that Payment Date in the expected amortization schedule above and to the extent of funds available in the Collection Account after payment of certain of the Issuing Entity's fees and expenses and after payment of interest.

Distribution Following Acceleration

Upon an acceleration of the maturity of the Bonds, the total outstanding principal balance of and interest accrued on the Bonds will be payable. Although principal will be due and payable upon acceleration, the nature of the Issuing Entity's business will result in principal of the Bonds being paid as funds become available. Please read "*Risk Factors — Risks Associated with the Unusual Nature of the Securitization Property — Foreclosure of the Indenture Trustee's lien on the Securitization Property for the Bonds might not be practical, and acceleration of the Bonds before maturity might have little practical effect*" and "*Risk Factors — Risk Associated with Limited Source of Funds for Payment — You may experience material payment delays or incur a loss on your investment in the Bonds because the source of funds for payment is limited*" in this prospectus.

Optional Redemption

The Issuing Entity may not voluntarily redeem any tranche of the Bonds.

Payments on the Bonds

The Indenture Trustee will pay on each Payment Date to the Holders of each tranche of the Bonds, to the extent of available funds in the Collection Account (including all subaccounts thereof), all payments of principal and interest then due. The Indenture Trustee will make each payment other than the final payment with respect to any Bonds to the holders of record of the Bonds of the applicable tranche on the Record Date for that Payment Date. The Indenture Trustee will make the final payment for each tranche of Bonds, however, only upon presentation and surrender of the Bonds of that tranche at the office or agency of the Indenture Trustee specified in the notice given by the Indenture Trustee of the final payment. The Indenture Trustee will send notice of the final payment to the Holders no later than five days prior to the final Payment Date.

The failure to pay accrued interest on any Payment Date (even if the failure is caused by a shortfall in the Securitization Charges received) will result in an Event of Default for the Bonds unless such failure is

cured within five Business Days. Please read "*Description of the Bonds — Events of Default; Rights Upon Event of Default*" in this prospectus. Any interest not paid when due (plus interest on the defaulted interest at the applicable interest rate to the extent lawful) will be payable to the Holders on a special record date. The special record date will be at least 15 Business Days prior to the date on which the Issuing Entity is to make such special payment, referred to in this prospectus as a Special Payment Date. We will fix any special record date and Special Payment Date. At least 10 days before any special record date, the Indenture Trustee will send to each affected Holder a notice that states the special record date, the Special Payment Date and the amount of defaulted interest (plus interest on the defaulted interest) to be paid.

The entire unpaid principal amount of each tranche of the Bonds will be due and payable:

- on the Final Maturity Date for that tranche; or
- if an Event of Default under the Indenture occurs and is continuing and the Indenture Trustee or the Holders of a majority in principal amount of the Bonds have declared the Bonds to be immediately due and payable.

However, the nature of the Issuing Entity's business will result in payment of principal upon an acceleration of the Bonds being made as funds become available. Please read "*Risk Factors — Risks Associated with the Unusual Nature of the Securitization Property — Foreclosure of the Indenture Trustee's lien on the Securitization Property for the Bonds might not be practical, and acceleration of the Bonds before maturity might have little practical effect*" and "*Risk Factors — Risk Associated with Limited Source of Funds for Payment — You may experience material payment delays or incur a loss on your investment in the Bonds because the source of funds for payment is limited*" in this prospectus.

At the time, if any, the Issuing Entity issues the Bonds in the form of definitive Bonds and not to DTC or its nominee, the Indenture Trustee will make payments with respect to the Bonds on a Payment Date or a Special Payment Date by wire transfer to each Holder of a definitive Bond of record on the applicable Record Date to an account maintained by the payee.

If any Special Payment Date or other date specified for any payments to Holders is not a Business Day, the Indenture Trustee will make payments scheduled to be made on that Special Payment Date or other date on the next Business Day and no interest will accrue upon the payment during the intervening period.

Fees and Expenses

As set forth in the table below, the Issuing Entity is obligated to pay fees to the Servicer, the Indenture Trustee, each independent Manager of the Issuing Entity, and Consumers Energy as Administrator. The following table illustrates this arrangement.

Recipient	Source of Payment	Fees and Expenses Payable
Servicer	Securitization Charge collections and investment earnings	0.05% of the initial aggregate principal balance of the Bonds on an annualized basis (so long as the Servicer is Consumers Energy or an affiliate), plus expenses
Indenture Trustee	Securitization Charge collections and investment earnings	$15,000 per annum, plus expenses
Independent Manager	Securitization Charge collections and investment earnings	$3,500 per annum, plus expenses
Administrator	Securitization Charge collections and investment earnings	$50,000 per annum, plus expenses

The annual servicing fee payable to any servicer not affiliated with Consumers Energy shall not at any time exceed 0.75% of the initial aggregate principal balance of Bonds.

Bonds Will Be Issued in Book-Entry Form

The Bonds will be available to investors only in the form of book-entry bonds. You may hold your Bonds through DTC in the United States, Clearstream Banking, Luxembourg, S.A., referred to in this

prospectus as Clearstream, or Euroclear in Europe. You may hold your Bonds directly with one of these systems if you are a participant in the system or indirectly through organizations that are participants.

The Role of DTC, Clearstream and Euroclear

Cede & Co., as nominee for DTC, will hold the global bond or bonds representing the Bonds. Clearstream and Euroclear will hold omnibus positions on behalf of the Clearstream consumers and Euroclear participants, respectively, through consumers' securities accounts in Clearstream's and Euroclear's names on the books of their respective depositaries. These depositaries will, in turn, hold these positions in consumers' securities accounts in the depositaries' names on the books of DTC.

The Function of DTC

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York UCC, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds and provides asset servicing for U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments that DTC's participants deposit with DTC. DTC also facilitates the post-trade settlement among DTC's participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between DTC's participants' accounts, thereby eliminating the need for physical movement of securities certificates. DTC's participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation. The Depository Trust & Clearing Corporation is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered Clearing Agencies. The Depository Trust & Clearing Corporation is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly, referred to in this prospectus as Indirect Participants. The DTC rules applicable to its participants are on file with the SEC. More information about DTC can be found at www.dtcc.com and www.dtc.org. The contents of such websites do not constitute a part of the registration statement of which this prospectus forms a part.

The Function of Clearstream

Clearstream holds securities for its consumers and facilitates the clearance and settlement of securities transactions between Clearstream consumers through electronic book-entry changes in accounts of Clearstream consumers, thereby eliminating the need for physical movement of securities. Transactions may be settled by Clearstream in any of various currencies, including United States dollars. Clearstream provides to its consumers, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream also deals with domestic securities markets in various countries through established depositary and custodial relationships.

Clearstream is registered as a bank in Luxembourg and therefore is subject to regulation by the Luxembourg *Commission de Surveillance du Secteur Financier*, which supervises Luxembourg banks. Clearstream's consumers are world-wide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations, among others, and may include the underwriters of the Bonds. Clearstream's U.S. consumers are limited to securities brokers and dealers and banks. Clearstream has consumers located in various countries. Indirect access to Clearstream is also available to other institutions that clear through or maintain a custodial relationship with an account holder of Clearstream. Clearstream has established an electronic bridge with Euroclear to facilitate settlement of trades between Clearstream and Euroclear.

The Function of Euroclear

Euroclear holds securities and book-entry interests in securities for Euroclear participants and facilitates the clearance and settlement of securities transactions between Euroclear participants, and

between Euroclear participants and participants of certain other securities intermediaries through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of securities and any risk from lack of simultaneous transfers of securities and cash. Such transactions may be settled in any of various currencies, including United States dollars. The Euroclear System includes various other services, including, among other things, safekeeping, administration, clearance and settlement, securities lending and borrowing and interfaces with domestic markets in several countries generally similar to the arrangements for cross-market transfers with DTC described below. The Euroclear System is operated by Euroclear Bank SA/NV. Euroclear participants include central banks and other banks, securities brokers and dealers and other professional financial intermediaries and may include the underwriters of the Bonds. Indirect access to the Euroclear System is also available to other firms that clear through or maintain a custodial relationship with a Euroclear participant, either directly or indirectly.

Terms and Conditions of Euroclear

Securities clearance accounts and cash accounts with Euroclear are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System, and applicable Belgian law. The Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System, and applicable Belgian law, govern transfers of securities and cash within the Euroclear System, withdrawals of securities and cash from the Euroclear System and receipts of payments with respect to securities in the Euroclear System. All securities in Euroclear are held on a fungible basis without attribution of specific securities to specific securities clearance accounts. Euroclear acts under the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System, and applicable Belgian law, only on behalf of Euroclear participants and has no record of or relationship with Persons holding through Euroclear participants.

The Rules for Transfers Among DTC, Clearstream or Euroclear Participants

Transfers between DTC participants will occur in accordance with DTC rules. Transfers between Clearstream consumers or Euroclear participants will occur in the ordinary way in accordance with their applicable rules and operating procedures and will be settled using procedures applicable to conventional securities held in registered form.

Cross-market transfers between Persons holding directly or indirectly through DTC, on the one hand, and directly or indirectly through Clearstream consumers or Euroclear participants, on the other, will be effected through DTC in accordance with DTC rules on behalf of the relevant European international clearing system by its depositary; however, those cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in that system in accordance with its rules and procedures and within its established deadlines, which will be based on European time. The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to its depositary to take action to effect final settlement on its behalf by delivering or receiving Bonds in DTC and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Clearstream consumers and Euroclear participants may not deliver instructions directly to Clearstream's and Euroclear's depositaries.

Because of time-zone differences, credits of securities in Clearstream or Euroclear as a result of a transaction with a participant will be made during the subsequent securities settlement processing, dated the Business Day following the DTC settlement date, and those credits or any transactions in those securities settled during that processing will be reported to the relevant Clearstream consumer or Euroclear participant on that Business Day. Cash received in Clearstream or Euroclear as a result of sales of securities by or through a Clearstream consumer or a Euroclear participant to a DTC participant will be received with value on the DTC settlement date but will be available in the relevant Clearstream or Euroclear cash account only as of the Business Day following settlement in DTC.

DTC's Nominee Will Be the Holder of the Bonds

Bondholders that are not DTC's participants or Indirect Participants but desire to purchase, sell or otherwise transfer ownership of, or other interest in, the Bonds may do so only through DTC's participants and Indirect Participants. In addition, bondholders will receive all payments of principal of and interest

on the Bonds from the Indenture Trustee through the participants, who in turn will receive them from DTC. Under a book-entry format, bondholders may experience some delay in their receipt of payments because payments will be forwarded by the Indenture Trustee to Cede & Co., as nominee for DTC. DTC will forward those payments to its participants, who thereafter will forward them to Indirect Participants or bondholders. It is anticipated that the only "bondholder" will be Cede & Co., as nominee of DTC. The Indenture Trustee will not recognize beneficial owners of interest in Bonds held by DTC or its nominee as bondholders, as that term is used in the Indenture, and such beneficial owners will be permitted to exercise the rights of bondholders only indirectly through the participants, who in turn will exercise the rights of bondholders through DTC.

Under the rules, regulations and procedures creating and affecting DTC and its operations, DTC is required to make book-entry transfers of book-entry certificates among participants on whose behalf it acts with respect to the Bonds and is required to receive and transmit payments of principal of and interest on the Bonds. DTC's participants and Indirect Participants with whom bondholders have accounts with respect to the Bonds similarly are required to make book-entry transfers and receive and transmit those payments on behalf of their respective bondholders. Accordingly, although bondholders will not possess Bonds, bondholders will receive payments and will be able to transfer their interests.

Because DTC can act only on behalf of participants, who in turn act on behalf of Indirect Participants and certain banks, the ability of a bondholder to pledge Bonds to Persons that do not participate in the DTC system, or otherwise take actions in respect of those Bonds, may be limited due to the lack of a physical certificate for those Bonds.

DTC has advised us that it will take any action permitted to be taken by a bondholder under the Indenture only at the direction of one or more participants to whose account with DTC the Bonds are credited.

Additionally, DTC has advised us that it will take those actions with respect to specified percentages of the collateral amount only at the direction of and on behalf of participants whose holdings include interests that satisfy those specified percentages. DTC may take conflicting actions with respect to other interests to the extent that those actions are taken on behalf of participants whose holdings include those interests.

Except as required by law, none of any underwriter, the Servicer, Consumers Energy, the Indenture Trustee, the Issuing Entity or any other party will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the certificates held by Cede & Co., as nominee for DTC, or for maintaining, supervising or reviewing any records relating to such beneficial interests.

How Bond Payments Will Be Credited by Clearstream and Euroclear

Payments with respect to Bonds held through Clearstream or Euroclear will be credited to the cash accounts of Clearstream consumers or Euroclear participants in accordance with the applicable system's rules and operating procedures, to the extent received by its depositary. Those payments will be subject to tax reporting in accordance with relevant United States tax laws and regulations. Please read "*Material United States Federal Income Tax Consequences*" in this prospectus. Clearstream or the Euroclear operator, as the case may be, will take any other action permitted to be taken by a bondholder under the Indenture on behalf of a Clearstream consumer or Euroclear participant only in accordance with its applicable rules and operating procedures and subject to its depositary's ability to effect those actions on its behalf through DTC.

Although DTC, Clearstream and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of the Bonds among participants of DTC, Clearstream and Euroclear, they are under no obligation to perform or continue to perform those procedures, and those procedures may be discontinued at any time.

Definitive Bonds

The Issuing Entity will issue the Bonds in registered, certificated form to Holders, or their nominees, rather than to DTC, or its nominee, only under the circumstances provided in the Indenture, which will include:

- the Issuing Entity advising the Indenture Trustee in writing that DTC is no longer willing or able to properly discharge its responsibilities as nominee and depositary with respect to the book-entry Bonds and that the Issuing Entity is unable to locate a qualified successor;
- the Issuing Entity, at its option, electing to terminate the book-entry system through DTC, with written notice to the Indenture Trustee; or
- after the occurrence of an Event of Default under the Indenture, Holders aggregating a majority of the aggregate outstanding principal amount of the Bonds maintained as book-entry Bonds advising the Issuing Entity, the Indenture Trustee, and DTC in writing that the continuation of a book-entry system through DTC (or a successor) is no longer in the best interests of those Holders.

Upon issuance of definitive Bonds, registered holders will deal directly with the transfer agent and registrar for the Bonds with respect to transfers, exchanges, notices and payments.

Upon surrender by DTC of the definitive securities representing the Bonds and instructions for registration, the Issuing Entity will sign and the Indenture Trustee will authenticate and deliver the Bonds in the form of definitive Bonds, and thereafter the Indenture Trustee will recognize the registered holders of the definitive Bonds as Holders under the Indenture.

The Indenture Trustee will make payment of principal of and interest on the Bonds directly to Holders in accordance with the procedures set forth in this prospectus and in the Indenture. The Indenture Trustee will make interest payments and principal payments to Holders in whose names the definitive Bonds were registered at the close of business on the related Record Date. The Indenture Trustee will make payments by wire transfer to the Holder as described in the Indenture or in such other manner as may be provided in the Series Supplement. The Indenture Trustee will make the final payment on any Bond, however, only upon presentation and surrender of the Bonds on the final Payment Date at the office or agency that is specified in the notice of final payment to Holders. The Indenture Trustee will provide the notice to registered holders not later than the fifth day prior to the final Payment Date.

Definitive Bonds will be transferable and exchangeable at the offices of the transfer agent and registrar, which initially will be the Indenture Trustee. There will be no service charge for any registration of transfer or exchange, but the transfer agent and registrar may require payment of a sum sufficient to cover any tax or other governmental charge imposed in connection therewith.

Access of Holders

Upon written request of any Holder or group of Holders of outstanding Bonds evidencing at least 10% of the aggregate outstanding principal amount of the Bonds, the Indenture Trustee will afford the Holder or Holders making such request a copy of a current list of Holders for purposes of communicating with other Holders with respect to their rights under the Indenture; provided, that the Indenture Trustee gives prior written notice to the Issuing Entity of such request.

The Indenture does not provide for any annual or other meetings of Holders.

Reports to Holders

On or prior to each Payment Date, Special Payment Date or any other date specified in the Indenture for payments with respect to the Bonds, the Servicer will deliver to the Indenture Trustee, and the Indenture Trustee will make available on its website (currently located at https://gctinvestorreporting.bnymellon.com), a statement prepared by the Servicer with respect to the payment to be made on the Payment Date, Special Payment Date or other date, as the case may be, setting forth the following information:

- the amount of the payment to Holders allocable to principal, if any, and interest;
- the aggregate outstanding principal balance of the Bonds, before and after giving effect to payments allocated to principal reported immediately above;
- the difference, if any, between the amount specified immediately above and the principal amount scheduled to be outstanding specified in the related expected amortization schedule;

- any other transfers and payments to be made on such Payment Date or Special Payment Date, including amounts paid to the Indenture Trustee and to the Servicer; and
- the amounts on deposit in the Capital Subaccount and the Excess Funds Subaccount, after giving effect to the foregoing payments.

Unless and until Bonds are no longer issued in book-entry form, the reports will be provided by the Indenture Trustee to the depository for the Bonds, or its nominee, as sole beneficial owner of the Bonds. The reports will be available to Holders upon written request to the Indenture Trustee or the Servicer. Such reports will not constitute financial statements prepared in accordance with generally accepted accounting principles.

The financial information provided to Holders will not be examined and reported upon by an independent public accountant. In addition, an independent public accountant will not provide an opinion on the financial information.

Within the prescribed period of time for tax reporting purposes after the end of each calendar year during the term of the Bonds, the Indenture Trustee, so long as it is acting as Paying Agent and transfer agent and registrar for the Bonds, will, upon written request by the Issuing Entity or any Holder, mail to Persons who at any time during the calendar year were Holders and received any payment on the Bonds, a statement containing certain information for the purposes of the Holder's preparation of United States federal and state income tax returns.

Website Disclosure

The Issuing Entity will, to the extent permitted by and consistent with its legal obligations under applicable law, cause to be posted on a website associated with Consumers Energy, currently located at www.cmsenergy.com, periodic reports containing to the extent such information is reasonably available to it:

- the final prospectus related to the Bonds;
- a statement of Securitization Charge remittances made to the Indenture Trustee;
- a statement reporting the balances in the Collection Account (including all subaccounts thereof) as of the date of the Semi-Annual Servicer's Certificate or the most recent date available;
- a statement showing the balance of outstanding Bonds that reflects the actual periodic payments made on the Bonds during the applicable period;
- the Semi-Annual Servicer's Certificate delivered for the Bonds pursuant to the Servicing Agreement;
- the Monthly Servicer's Certificate delivered for the Bonds pursuant to the Servicing Agreement;
- the reconciliation certificate as required to be submitted pursuant to the Servicing Agreement;
- the text (or a link to the website where a reader can find the text) of each True-Up Adjustment filing in respect of the outstanding Bonds and the results of each such filing;
- any change in the long-term or short-term credit ratings of the Servicer assigned by the Rating Agencies;
- material legislative or regulatory developments directly relevant to the Bonds; and
- any reports and other information that the Issuing Entity is required to file with the SEC under the Exchange Act.

Notwithstanding the foregoing, nothing in the Indenture shall preclude the Issuing Entity from voluntarily suspending or terminating its filing obligations as Issuing Entity with the SEC to the extent permitted by applicable law.

Information on CMS Energy's or Consumers Energy's website or that can be accessed through the website is not incorporated into and does not constitute a part of the registration statement of which this prospectus forms a part.

The Issuing Entity and the Indenture Trustee May Modify the Indenture

Modifications of the Indenture that do not Require Consent of Holders

From time to time, and without the consent of the Holders (but with prior notice to the Rating Agencies and when authorized by an Issuing Entity order to the Indenture Trustee), the Issuing Entity may enter into one or more agreements supplemental to the Indenture with the Indenture Trustee (which shall conform to the provisions of the Trust Indenture Act as in force at the date of the execution thereof), in form satisfactory to the Indenture Trustee, for any of the following purposes:

- to correct or amplify the description of any property, including the Collateral, at any time subject to the lien of the Indenture, or to better assure, convey and confirm unto the Indenture Trustee the property subject or required to be subjected to the lien of the Indenture, or to subject to the lien of the Indenture additional property;
- to evidence the succession, in compliance with the applicable provisions of the Indenture, of another Person to the Issuing Entity in accordance with the terms of the Indenture and the assumption by any such successor of the covenants in the Indenture and in the Bonds;
- to add to the covenants of the Issuing Entity for the benefit of the Holders and the Indenture Trustee, or to surrender any right or power conferred to the Issuing Entity by the Indenture;
- to convey, transfer, assign, mortgage or pledge any property to or with the Indenture Trustee;
- to cure any ambiguity or mistake, to correct or supplement any provision in the Indenture or in any supplemental indenture, including the Series Supplement, that may be inconsistent with any other provision in the Indenture or in any supplemental indenture, including the Series Supplement, or to make any other provisions with respect to matters or questions arising under the Indenture or in any supplemental indenture, provided however, that:
  - such action will not, as evidenced by an opinion of external counsel of the Issuing Entity, adversely affect in any material respect the interests of the Holders; and
  - the Rating Agency Condition shall have been satisfied with respect thereto;
- to evidence and provide for the acceptance of the appointment under the Indenture of a successor indenture trustee with respect to the Bonds and to add or change any of the provisions of the Indenture as shall be necessary to facilitate the administration of the trusts thereunder by more than one indenture trustee;
- to modify, eliminate or add to the provisions of the Indenture to such extent as shall be necessary to effect qualification of the Indenture under the Trust Indenture Act or under any similar or successor federal statute enacted after the issuance of the Bonds and to add such other provisions to the Indenture as may be expressly required by the Trust Indenture Act or by any similar or successor federal statute enacted after the issuance of the Bonds ;
- to evidence the final terms of the Bonds in the Series Supplement;
- to qualify the Bonds for registration with a Clearing Agency;
- to satisfy any Rating Agency requirements;
- to make any amendment to the Indenture or the Bonds relating to the transfer and legending of the Bonds to comply with applicable securities laws; or
- to conform the text of the Indenture or the Bonds to any provision of the registration statement of which this prospectus forms a part filed by the Issuing Entity with the SEC with respect to the issuance of the Bonds to the extent that such provision was intended to be a verbatim recitation of a provision of the Indenture or the Bonds.

The Issuing Entity and the Indenture Trustee, when authorized by an Issuing Entity order to the Indenture Trustee, may also, without the consent of the Holders, enter into one or more other agreements

supplemental to the Indenture for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, the Indenture or of modifying the rights of the Holders under the Indenture so long as:

- the supplemental agreement does not, as evidenced by an opinion of nationally recognized counsel of the Issuing Entity experienced in structured finance transactions, adversely affect the interests of any Holders then outstanding in any material respect; and
- the Rating Agency Condition shall have been satisfied with respect thereto.

Modifications of the Indenture that Require the Approval of Holders

The Issuing Entity and the Indenture Trustee, when authorized by an Issuing Entity order to the Indenture Trustee, may, with the consent of Holders holding a majority of the aggregate outstanding principal amount of the Bonds of each tranche to be affected (and with prior notice to the Rating Agencies), enter into one or more indentures supplemental to the Indenture for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, the Indenture. In determining whether a majority of Holders have consented, Bonds owned by the Issuing Entity, Consumers Energy or any affiliate shall be disregarded, except that, in determining whether the Indenture Trustee shall be protected in relying upon any such consent, the Indenture Trustee shall only be required to disregard any Bonds it actually knows to be so owned. No supplement, however, may, without the consent of each Holder of each tranche affected thereby, take certain actions enumerated in the Indenture, including:

- change the date of payment of any installment of principal of or premium, if any, or interest on any Bond of such tranche, or reduce in any manner the principal amount thereof, the interest rate thereon or the premium, if any, with respect thereto;
- change the provisions of the Indenture and any applicable supplemental indenture, including the Series Supplement, relating to the application of collections on, or the proceeds of the sale of, the Collateral to payment of principal of or premium, if any, or interest on the Bonds or a tranche thereof, or change the place of payment where, or the coin or currency in which, any Bond or any interest thereon is payable;
- modify the definition of the term “outstanding”;
- reduce the percentage of the aggregate amount of the outstanding Bonds, or of a tranche thereof, the consent of the Holders of which is required for any such supplemental indenture, or the consent of the Holders of which is required for any waiver of compliance with any provisions of the Indenture specified therein or of certain defaults specified therein and their consequences provided for in the Indenture;
- reduce the percentage of the outstanding amount of the Bonds or a tranche thereof the Holders of which are required to direct the Indenture Trustee to sell or liquidate the Collateral;
- modify any of the provisions of the Indenture in a manner so as to affect the calculation of the amount of any payment of interest, principal or premium, if any, due on any Bond of such tranche on any Payment Date (including the calculation of any of the individual components of such calculation) or change the expected amortization schedule, expected sinking fund schedule or Final Maturity Date of any Bonds of such tranche;
- decrease the Required Capital Level;
- permit the creation of any lien ranking prior to or on a parity with the lien of the Indenture with respect to any of the Collateral for the Bonds or a tranche thereof or, except as otherwise permitted or contemplated in the Indenture, terminate the lien of the Indenture on any property at any time subject thereto or deprive the Holder of any Bond of the security provided by the lien of the Indenture;
- cause any material adverse U.S. federal income tax consequence to the Seller, the Issuing Entity, the Managers, the Indenture Trustee or the beneficial owners of the Bonds;
- modify any provision of the Indenture with respect to amendments of the Indenture or any provision of the other Basic Documents similarly specifying the rights of the Holders to consent to

modification thereof, except to increase any percentage specified in the Indenture or to provide that those provisions of the Indenture or the other Basic Documents cannot be modified or waived without the consent of the Holder of each outstanding Bond affected thereby; or

- impair the right to institute suit for the enforcement of those provisions of the Indenture specified therein regarding payment or application of funds.

It shall not be necessary for any act of Holders under the Indenture to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such act shall approve the substance thereof.

Promptly after the execution by the Issuing Entity and the Indenture Trustee of any supplemental indenture pursuant to the provisions described above, the Issuing Entity shall mail to the Rating Agencies a copy of such supplemental indenture and to the Holders of the bonds to which such supplemental indenture relates either a copy of such supplemental indenture or a notice setting forth in general terms the substance of such supplemental indenture. Any failure of the Issuing Entity to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental indenture.

Notification of the Rating Agencies, the Indenture Trustee and the Holders of Any Modification Requiring Holder Consent

If the Issuing Entity, Consumers Energy, the Administrator or the Servicer or any other party to the applicable agreement:

- proposes to amend, modify, waive, supplement, terminate or surrender, or agree to any other amendment, modification, waiver, supplement, termination or surrender of, the terms of the Sale Agreement, the Administration Agreement, the Servicing Agreement or the Intercreditor Agreement, or
- waives timely performance or observance by Consumers Energy, the Administrator or the Servicer under the Sale Agreement, the Administration Agreement, the Servicing Agreement or the Intercreditor Agreement,

in each case in a way that would materially and adversely affect the interests of Holders, the Issuing Entity must first notify the Rating Agencies of the proposed amendment, modification, waiver, supplement, termination or surrender and satisfy the Rating Agency Condition. Upon satisfaction of the Rating Agency Condition, the Issuing Entity must thereafter notify the Indenture Trustee, and, when required, the MPSC, in writing, and the Indenture Trustee will be required to notify the Holders of the proposed amendment, modification, waiver, supplement, termination or surrender and whether the Rating Agency Condition has been satisfied with respect thereto. The Indenture Trustee will consent to this proposed amendment, modification, supplement, waiver, termination or surrender only if the Rating Agency Condition is satisfied and only with the written consent of the Holders of a majority of the outstanding principal amount of the Bonds of the tranches materially and adversely affected thereby. In determining whether a majority of Holders have consented, Bonds owned by the Issuing Entity, Consumers Energy or any affiliate shall be disregarded, except that, in determining whether the Indenture Trustee shall be protected in relying upon any such consent, the Indenture Trustee shall only be required to disregard any Bonds it actually knows to be so owned.

Modifications to the Sale Agreement, the Administration Agreement, the Servicing Agreement and the Intercreditor Agreement

With the prior written consent of the Indenture Trustee, the Sale Agreement, the Administration Agreement, the Servicing Agreement and the Intercreditor Agreement may be amended, so long as the Rating Agency Condition is satisfied in connection therewith (where required pursuant to the applicable Basic Document), at any time and from time to time, without the consent of the Holders. However, any such amendment may not materially and adversely affect the interest of any Holders.

In addition, the Sale Agreement, the Administration Agreement and the Servicing Agreement may be amended with ten Business Days' prior written notice given to the Rating Agencies in accordance with the applicable Basic Document, and, with respect to the Servicing Agreement, the prior written consent of the

Indenture Trustee (which consent shall be given in reliance on an opinion of counsel and an officer's certificate stating that such amendment is permitted or authorized under and adopted in accordance with the provisions of the applicable agreement and that all conditions precedent have been satisfied, upon which the Indenture Trustee may conclusively rely), but without the consent of the Holders:

- to cure any ambiguity, to correct or supplement any provisions in the applicable agreement or for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions in such agreement or of modifying in any manner the rights of the Holders; provided, however, that such action shall not, as evidenced by an officer's certificate delivered to the Issuing Entity and the Indenture Trustee, adversely affect in any material respect the interests of any Holder; or
- to conform the provisions of the applicable agreement to the description of such agreement in this prospectus.

Promptly after the execution of any such amendment or consent, the Issuing Entity shall furnish copies of such amendment or consent to each of the Rating Agencies.

Enforcement of the Sale Agreement, the Administration Agreement, the Servicing Agreement and the Intercreditor Agreement

The Indenture provides that the Issuing Entity will take all lawful actions to enforce its rights under the Sale Agreement, the Administration Agreement, the Servicing Agreement, the Intercreditor Agreement and the other Basic Documents; provided that such action shall not adversely affect the interests of Holders in any material respect. The Indenture also provides that the Issuing Entity will take all lawful actions to compel or secure the performance and observance by Consumers Energy, the Administrator and the Servicer and each other party under the Intercreditor Agreement of their respective obligations to the Issuing Entity under or in connection with the Sale Agreement, the Administration Agreement, the Servicing Agreement and the Intercreditor Agreement. So long as no Event of Default occurs and is continuing, the Issuing Entity may exercise any and all rights, remedies, powers and privileges lawfully available to the Issuing Entity under or in connection with the Sale Agreement, the Administration Agreement, the Servicing Agreement and the Intercreditor Agreement. However, if the Issuing Entity or the Servicer proposes to amend, modify, waive, supplement, terminate or surrender in any material respect, or agree to any material amendment, modification, supplement, termination, waiver or surrender of, the process for adjusting the Securitization Charges, the Issuing Entity must notify the Indenture Trustee in writing and the Indenture Trustee must notify the Holders of such proposal. In addition, the Indenture Trustee may consent to such proposal only with the written consent of the Holders of a majority of the aggregate outstanding principal amount of the Bonds of the tranches affected thereby and only if the Rating Agency Condition is satisfied. In determining whether a majority of Holders have consented, Bonds owned by the Issuing Entity, Consumers Energy or any affiliate shall be disregarded, except that, in determining whether the Indenture Trustee shall be protected in relying upon any such consent, the Indenture Trustee shall only be required to disregard any Bonds it actually knows to be so owned.

If an Event of Default occurs and is continuing, the Indenture Trustee may, and, at the written direction of Holders of a majority of the aggregate outstanding principal amount of all affected tranches of Bonds, shall exercise all of the Issuing Entity's rights, remedies, powers, privileges and claims against the Seller, the Administrator and the Servicer, under or in connection with the Sale Agreement, the Administration Agreement, the Servicing Agreement and the Intercreditor Agreement, and any right of the Issuing Entity to take this action shall be suspended.

Issuing Entity's Covenants

The Issuing Entity may not consolidate with or merge into any other entity, unless:

- the entity formed by or surviving the consolidation or merger:
  - is organized under the laws of the United States or any state;
  - expressly assumes, by a supplemental indenture, the performance or observance of all of the Issuing Entity's agreements and covenants under the Indenture and the Series Supplement; and

- expressly assumes all of the Issuing Entity's obligations and succeeds to all of the Issuing Entity's rights under the Sale Agreement, the Servicing Agreement and any other Basic Document to which the Issuing Entity is a party;

- no default, Event of Default or Servicer Default under the Indenture has occurred and is continuing immediately after the merger or consolidation;
- the Rating Agency Condition will have been satisfied with respect to the merger or consolidation;
- the Issuing Entity has delivered to Consumers Energy, the Indenture Trustee and the Rating Agencies an opinion or opinions of outside tax counsel (as selected by the Issuing Entity, in form and substance reasonably satisfactory to Consumers Energy and the Indenture Trustee, and that may be based on a ruling from the IRS) to the effect that the consolidation or merger will not result in a material adverse U.S. federal or state income tax consequence to the Issuing Entity, Consumers Energy, the Indenture Trustee or the then-existing Holders;
- any action as is necessary to maintain the lien and the perfected security interest in the Collateral for the Bonds created by the Indenture and the Series Supplement has been taken, as evidenced by an opinion of the Issuing Entity's external counsel delivered to the Indenture Trustee; and
- the Issuing Entity has delivered to the Indenture Trustee an officer's certificate and an opinion of the Issuing Entity's external counsel, each stating that the consolidation or merger complies with the Indenture and the Series Supplement and all conditions precedent therein provided for relating to the transaction have been complied with (including any filing required by the Exchange Act).

The Issuing Entity may not sell, convey, exchange, transfer or otherwise dispose of any of its properties or assets included in the Collateral to any Person, unless:

- the Person acquiring the properties and assets:
  - is a United States citizen or an entity organized under the laws of the United States or any state;
  - expressly assumes, by a supplemental indenture, the performance or observance of all of the Issuing Entity's agreements and covenants under the Indenture and the Series Supplement;
  - expressly agrees by means of a supplemental indenture that all right, title and interest so sold, conveyed, exchanged, transferred or otherwise disposed of will be subject and subordinate to the rights of Holders;
  - unless otherwise specified in the supplemental indenture referred to above, expressly agrees to indemnify, defend and hold harmless the Issuing Entity and the Indenture Trustee against and from any loss, liability or expense arising under or related to the Indenture, the Series Supplement and the Bonds (including the enforcement costs of such indemnity);
  - expressly agrees by means of a supplemental indenture that the Person (or if a group of Persons, then one specified Person) will make all filings with the SEC (and any other appropriate Person) required by the Exchange Act in connection with the Bonds; and
  - if such sale, conveyance, exchange, transfer or disposal relates to the Issuing Entity's rights and obligations under the Sale Agreement or the Servicing Agreement, such Person assumes all obligations and succeeds to all of the Issuing Entity's rights under the Sale Agreement and the Servicing Agreement, as applicable;
- no default, Event of Default or Servicer Default under the Indenture has occurred and is continuing immediately after the transactions;
- the Rating Agency Condition has been satisfied with respect to such transaction;
- the Issuing Entity has delivered to Consumers Energy, the Indenture Trustee and the Rating Agencies an opinion or opinions of outside tax counsel (as selected by the Issuing Entity, in form and substance reasonably satisfactory to Consumers Energy and the Indenture Trustee, and that may be based on a ruling from the IRS) to the effect that the disposition will not result in a material adverse U.S. federal or state income tax consequence to the Issuing Entity, Consumers Energy, the Indenture Trustee or the then-existing Holders;

- any action as is necessary to maintain the lien and the perfected security interest in the Collateral created by the Indenture and the Series Supplement has been taken as evidenced by an opinion of the Issuing Entity's external counsel delivered to the Indenture Trustee; and
- the Issuing Entity has delivered to the Indenture Trustee an officer's certificate and an opinion of the Issuing Entity's external counsel, each stating that the sale, conveyance, exchange, transfer or other disposition complies with the Indenture and the Series Supplement and all conditions precedent therein provided for relating to the transaction have been complied with (including any filing required by the Exchange Act).

The Issuing Entity will not, among other things, for so long as any Bonds are outstanding:

- except as expressly permitted by the Indenture and the other Basic Documents, sell, transfer, convey, exchange or otherwise dispose of any of its assets, including those included in the Collateral for the Bonds, unless directed to do so by the Indenture Trustee in accordance with the provisions of the Indenture;
- claim any credit on, or make any deduction from the principal or premium, if any, or interest payable in respect of, the Bonds (other than amounts properly withheld from such payments under the Code or other tax laws) or assert any claim against any present or former Holder by reason of the payment of the taxes levied or assessed upon any part of the Collateral;
- terminate its existence, or dissolve or liquidate in whole or in part, except as permitted above;
- permit the validity or effectiveness of the Indenture, the Series Supplement or the other Basic Documents to be impaired;
- permit the lien of the Indenture and the Series Supplement to be amended, hypothecated, subordinated, terminated or discharged, or permit any Person to be released from any covenants or obligations with respect to the Bonds under the Indenture except as may be expressly permitted by the Indenture;
- permit any lien, security interest or other encumbrance, other than the lien and security interest granted under the Indenture and the Series Supplement, to be created on or extend to or otherwise arise upon or burden the Collateral or any part thereof or any interest therein or the proceeds thereof (other than tax liens arising by operation of law with respect to amounts not yet due);
- permit the lien of the Indenture or the Series Supplement not to constitute a valid first priority perfected security interest in the Collateral;
- enter into any swap, hedge or similar financial instrument;
- elect to be classified as an association taxable as a corporation for U.S. federal income tax purposes, file any tax return or take any other action or make any election inconsistent with the Issuing Entity's treatment for U.S. federal income tax purposes and, to the extent consistent with applicable state tax law, state income and franchise tax purposes, as a disregarded entity that is not separate from the Issuing Entity's sole member;
- change its name, identity or structure or the location of the Issuing Entity's chief executive office unless at least ten Business Days prior to the effective date of any such change, the Issuing Entity delivers to the Indenture Trustee (with copies to each Rating Agency) such documents, instruments or agreements, executed by the Issuing Entity, as are necessary to reflect such change and to continue the perfection of the security interest of the Indenture and the Series Supplement;
- take any action that is subject to the Rating Agency Condition without satisfying the Rating Agency Condition;
- except to the extent permitted by applicable law, voluntarily suspend or terminate its filing obligations with the SEC as described in the Indenture; or
- issue any securitization bonds under the Statute or any similar law, other than the Bonds offered hereby, or issue any other debt obligations.

The Issuing Entity may not engage in any business other than financing, purchasing, owning, administering, managing and servicing the Securitization Property and other Collateral and the issuance of the Bonds under the Financing Order, and certain related activities incidental thereto.

The Issuing Entity will not issue, incur, assume, guarantee or otherwise become liable, directly or indirectly, for any indebtedness except for the Bonds and any other indebtedness expressly permitted by or arising under the Basic Documents. Also, the Issuing Entity will not, except as contemplated by the Bonds or the Basic Documents, make any loan or advance or credit to, or guarantee (directly or indirectly or by an instrument having the effect of assuring another's payment or performance on any obligation or capability of so doing or otherwise), endorse or otherwise become contingently liable, directly or indirectly, in connection with the obligations, stocks or dividends of, or own, purchase, repurchase or acquire (or agree contingently to do so) any stock, obligations, assets or securities of, or any other interest in, or make any capital contribution to, any other Person. The Issuing Entity will not, except for the acquisition of Securitization Property as contemplated by the Bonds and the Basic Documents, make any expenditure (by long-term or operating lease or otherwise) for capital assets (either realty or personalty).

Except for the release to Consumers Energy of funds as described under "*Security for the Bonds — How Funds in the Collection Account will be Allocated*" in this prospectus, the Issuing Entity, directly or indirectly, will not:

- pay any dividend or make any distribution (by reduction of capital or otherwise), whether in cash, property, securities or a combination thereof, to any owner of an interest in the Issuing Entity or otherwise with respect to any ownership or equity interest or similar security in or of the Issuing Entity;
- redeem, purchase, retire or otherwise acquire for value any such ownership or equity interest or similar security; or
- set aside or otherwise segregate any amounts for any such purpose;

provided, however, that, if no Event of Default shall have occurred and be continuing or would be caused thereby, the Issuing Entity may make, or cause to be made, any such distributions to any owner of an interest in the Issuing Entity or otherwise with respect to any ownership or equity interest or similar security in or of the Issuing Entity using the investment earnings on deposit in the Capital Subaccount to the extent that such distributions would not cause the balance of the Capital Subaccount to decline below the Required Capital Level. The Issuing Entity will not, directly or indirectly, make payments to or distributions from the Collection Account (including the subaccounts thereof) except in accordance with the Indenture and the other Basic Documents.

Events of Default; Rights Upon Event of Default

An **Event of Default** with respect to the Bonds is defined in the Indenture as any one of the following events:

- default in the payment of any interest on any Bond when the same becomes due and payable (whether such failure to pay interest is caused by a shortfall in the Securitization Charges received or otherwise), and such default shall continue for a period of five Business Days;
- default in the payment of the then unpaid principal of any Bond of any tranche on the Final Maturity Date for that tranche;
- a default in the observance or performance of any of the Issuing Entity's covenants or agreements made in the Indenture (other than defaults described above) and the continuation of any default for a period of 30 days after the earlier of:
  - the date that written notice (by registered or certified mail) of the default is given to the Issuing Entity by the Indenture Trustee or to the Issuing Entity and the Indenture Trustee by the Holders of at least 25% of the aggregate outstanding principal amount of the Bonds; or
  - the date that the Issuing Entity had actual knowledge of the default;

- any representation or warranty made by the Issuing Entity in the Indenture or in any certificate or other writing delivered pursuant to the Indenture or in connection with the Indenture having been incorrect in any material respect as of the time made, and such breach not having been cured within 30 days after the earlier of:
  - the date that notice of the breach is given (by registered or certified mail) to the Issuing Entity by the Indenture Trustee or to the Issuing Entity and the Indenture Trustee by the Holders of at least 25% of the aggregate outstanding principal amount of the Bonds; or
  - the date that the Issuing Entity had actual knowledge of the default;
- certain events of bankruptcy, insolvency, receivership or liquidation specified in the Indenture; or
- any act or failure to act by the State of Michigan or any of its agencies (including the MPSC), officers or employees that violates the State Pledge or is not in accordance with the State Pledge.

If an Event of Default (other than as specified in the sixth bullet point above (relating to the State Pledge)) should occur and be continuing with respect to the Bonds, the Indenture Trustee or the Holders representing a majority of the aggregate outstanding principal amount of the Bonds may declare the unpaid principal of the Bonds and all accrued and unpaid interest thereon to be immediately due and payable. However, the nature of the Issuing Entity's business will result in payment of principal upon an acceleration of the Bonds being made as funds become available. Please read "*Risk Factors — Risks Associated with the Unusual Nature of the Securitization Property — Foreclosure of the Indenture Trustee's lien on the Securitization Property for the Bonds might not be practical, and acceleration of the Bonds before maturity might have little practical effect*" and "*Risk Factors — Risk Associated with Limited Source of Funds for Payment — You may experience material payment delays or incur a loss on your investment in the Bonds because the source of funds for payment is limited*" in this prospectus.

The Holders of a majority of the aggregate outstanding principal amount of the Bonds may rescind and annul that declaration under certain circumstances set forth in the Indenture. Additionally, the Indenture Trustee may exercise all of the Issuing Entity's rights, remedies, powers, privileges and claims against the Seller, the Administrator or the Servicer under or in connection with the Sale Agreement, the Administration Agreement or the Servicing Agreement. If an Event of Default as specified in the sixth bullet above has occurred, the Servicer will be obligated to institute (and the Indenture Trustee, for the benefit of the Holders, shall be entitled and empowered to institute) any suits, actions or proceedings at law, in equity or otherwise, to enforce the State Pledge and to collect any monetary damages as a result of a breach thereof, and each of the Servicer and the Indenture Trustee may prosecute any suit, action or proceeding to final judgment or decree. The Servicer will be required to advance its own funds in order to bring any suits, actions or proceedings and, for so long as the legal actions were pending, the Servicer will be required, unless otherwise prohibited by applicable law or court or regulatory order in effect at that time, to bill and collect the Securitization Charges, perform True-Up Adjustments and discharge its obligations under the Servicing Agreement. The costs of any such actions shall be an operating expense of the Issuing Entity payable from the Securitization Charges. In the event the Seller is not the Servicer and such costs are not recovered as an operating expense of the Issuing Entity, the costs of any such action would be payable by the Seller pursuant to the Sale Agreement. The Indenture Trustee will not be deemed to have knowledge of any Event of Default unless a responsible officer of the Indenture Trustee has actual knowledge of the default or the Indenture Trustee has received written notice of the default in accordance with the Indenture.

If the Bonds have been declared due and payable following an Event of Default (other than a breach by the State of Michigan of the State Pledge), the Indenture Trustee may elect to have the Issuing Entity maintain possession of all or a portion of the Securitization Property and continue to apply Securitization Charge collections as if there had been no declaration of acceleration. There is likely to be a limited market, if any, for the Securitization Property following a foreclosure, in light of the Event of Default, the unique nature of the Securitization Property as an asset and other factors discussed in this prospectus. In addition, the Indenture Trustee is prohibited from selling the Securitization Property following an Event of Default, other than a default in the payment of any principal or a default for five Business Days or more in the payment of any interest on any Bond, which requires the direction of Holders of a majority of the aggregate outstanding principal amount of the Bonds, unless:

- the Holders of all of the outstanding Bonds consent to the sale;
- the proceeds of the sale are sufficient to pay in full the principal of and the accrued interest on the outstanding Bonds; or
- the Indenture Trustee determines that the proceeds of the Collateral would not be sufficient on an ongoing basis to make all payments on the Bonds as those payments would have become due if the Bonds had not been declared due and payable, and the Indenture Trustee obtains the written consent of the Holders of at least two-thirds of the aggregate outstanding principal amount of the Bonds.

Subject to the provisions of the Indenture relating to the duties of the Indenture Trustee (please read "*Description of the Indenture Trustee*" in this prospectus), if an Event of Default occurs and is continuing, the Indenture Trustee will be under no obligation to exercise any of the rights or powers under the Bonds at the request or direction of any of the Holders if the Indenture Trustee reasonably believes it will not be adequately indemnified against the costs, expenses and liabilities that might be incurred by it in complying with the request. Subject to the provisions for indemnification and certain limitations contained in the Indenture:

- the Holders of a majority of the aggregate outstanding principal amount of the Bonds of an affected tranche will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee; and
- the Holders of a majority of the aggregate outstanding principal amount of the Bonds of an affected tranche may, in certain cases, waive any default with respect thereto, except a default in the payment of principal or interest or a default in respect of a covenant or provision of the Indenture that cannot be modified without the consent of all of the Holders of the outstanding Bonds of all tranches affected thereby.

No Holder will have the right to institute any proceeding, to avail itself of any remedies provided in the Statute or of the right to foreclose on the Collateral, or otherwise to enforce the lien and security interest on the Collateral or to seek the appointment of a receiver or indenture trustee, or for any other remedy under the Indenture, unless:

- the Holder previously has given to the Indenture Trustee written notice of a continuing Event of Default;
- the Holders of a majority of the aggregate outstanding principal amount of the Bonds have made written request of the Indenture Trustee to institute the proceeding in its own name as Indenture Trustee;
- the Holder or Holders have offered the Indenture Trustee indemnity satisfactory to it against the costs, expenses and liabilities to be incurred in complying with such request;
- the Indenture Trustee for 60 days after receipt of the notice set forth above and the request and offer of indemnity, has failed to institute the proceeding; and
- no direction inconsistent with the written request has been given to the Indenture Trustee during the 60-day period by the Holders of a majority of the aggregate outstanding principal amount of the Bonds.

In addition, the Indenture Trustee and the Servicer will covenant and each Holder will be deemed to covenant that it will not, prior to the date that is one year and one day after the termination of the Indenture, institute against the Issuing Entity or against the Issuing Entity's Managers or member or members any bankruptcy, reorganization or other proceeding under any federal or state bankruptcy or similar law, subject to the right of a court of competent jurisdiction to order sequestration and payment of revenues arising with respect to the Securitization Property.

Neither any Manager nor the Indenture Trustee in its individual capacity, nor any Holder of any ownership interest in the Issuing Entity, nor any of their respective owners, beneficiaries, agents, officers, directors, employees, successors or assigns will, in the absence of an express agreement to the contrary, be personally liable for the payment of the principal of or interest on the Bonds or for the Issuing Entity's agreements contained in the Indenture.

Actions by Holders

Subject to certain exceptions, the Holders of a majority of the aggregate outstanding principal amount of the Bonds of the affected tranche or tranches will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred on the Indenture Trustee under the Indenture; provided, that:

- the direction is not in conflict with any rule of law or with the Indenture or the Series Supplement and would not involve the Indenture Trustee in personal liability or expense;
- subject to the other conditions described under "*Description of the Bonds — Events of Default; Rights Upon Event of Default*" in this prospectus, the consent of 100% of the Holders is required to direct the Indenture Trustee to sell or liquidate the Collateral (other than pursuant to an Event of Default for failure to pay interest or principal at maturity);
- if the Indenture Trustee elects to retain the Collateral in accordance with the Indenture, then any direction to the Indenture Trustee by less than 100% of the Holders will be of no force and effect; and
- the Indenture Trustee may take any other action deemed proper by the Indenture Trustee that is not inconsistent with the direction.

In circumstances under which the Indenture Trustee is required to seek instructions from the Holders of any tranche with respect to any action or vote, the Indenture Trustee will take the action or vote for or against any proposal in proportion to the principal amount of the corresponding tranche, as applicable, of Bonds taking the corresponding position.

Notwithstanding the foregoing, the Indenture allows each Holder to institute suit for the enforcement of payment of:

- the interest, if any, on its Bonds that remains unpaid as of the applicable due date; and
- the unpaid principal, if any, of its tranche of Bonds on the applicable Final Maturity Date therefor.

Resignation or Removal of Indenture Trustee

The Indenture Trustee (or any other Eligible Institution in any capacity under the Indenture), unless such Eligible Institution is being replaced by the Indenture Trustee, may resign at any time upon 30 days' prior written notice to the Issuing Entity. The Holders of a majority of the aggregate outstanding principal amount of the Bonds then outstanding may remove the Indenture Trustee (or any other Eligible Institution in any capacity under the Indenture) with 30 days' prior written notice by so notifying the Indenture Trustee (or any such other Eligible Institution) and may appoint a successor Indenture Trustee (or successor Eligible Institution in the applicable capacity). The Issuing Entity will remove the Indenture Trustee if the Indenture Trustee:

- ceases to be eligible under the Trust Indenture Act;
- ceases to satisfy certain credit standards set forth in the Indenture;
- becomes a debtor in a bankruptcy proceeding or is adjudicated insolvent or a receiver or other public officer takes charge of the Indenture Trustee or its property;
- becomes incapable of acting; or
- fails to provide to the Issuing Entity certain information it reasonably requests that is necessary for the Issuing Entity to satisfy its reporting obligations under the securities laws and such failure is not resolved to the Issuing Entity's and the Indenture Trustee's mutual satisfaction within a reasonable period of time.

Any removal or resignation of the Indenture Trustee shall also constitute a removal or resignation of such entity in its capacity as securities intermediary and account bank.

The Indenture requires that the Indenture Trustee have:

- a combined capital and surplus of at least $50,000,000 as set forth in its most recent published annual report of condition; and
- a long-term debt rating from Moody's in one of its generic rating categories that signifies investment grade and a long-term debt rating from S&P of at least "A".

If the Indenture Trustee resigns or is removed or a vacancy exists in the office of Indenture Trustee for any reason, the Issuing Entity will be obligated promptly to appoint a successor Indenture Trustee eligible under the Indenture, and notice of such appointment is required to be promptly given to each Rating Agency by the successor Indenture Trustee. If any person (other than the Indenture Trustee) acting in any capacity under the Indenture as an Eligible Institution is removed or fails to constitute an Eligible Institution or if a vacancy exists in any such capacity for any reason, the Issuing Entity will promptly appoint a successor to such capacity that constitutes an Eligible Institution. No resignation or removal of the Indenture Trustee (or any other person acting as an Eligible Institution) will become effective until acceptance of the appointment by a successor Indenture Trustee (or successor Eligible Institution). The Issuing Entity is responsible for payment of the expenses associated with any such removal or resignation.

Limitation on Liability of the Indenture Trustee

The Indenture Trustee shall not be liable for:

- any action it takes or omits to take in good faith that it believes to be authorized or within its rights or powers; provided, however, that the Indenture Trustee's conduct does not constitute willful misconduct, negligence or bad faith; and
- special, indirect, punitive or consequential loss or damage of any kind whatsoever (including loss of profit) irrespective of whether the Indenture Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

The Indenture Trustee shall not be required to take any action that it is directed to take under the Indenture if the Indenture Trustee determines in good faith that the action so directed is inconsistent with the Indenture, any other Basic Document or applicable law, or would involve the Indenture Trustee in personal liability. In circumstances under which the Indenture Trustee is required to seek instructions from the holders of any tranche of the Bonds with respect to any action or vote, the Indenture Trustee shall take the action or vote for or against any proposal in proportion to the principal amount of the corresponding tranche, as applicable, of Bonds taking the corresponding position. Any discretion, permissive right or privilege of the Indenture Trustee under the Indenture shall not be deemed to be or otherwise construed as a duty or obligation. The Indenture Trustee's receipt of publicly available reports under the Indenture shall not constitute constructive or actual notice or knowledge of any information contained therein or determinable therefrom, including a party's compliance with covenants under the Indenture.

The Indenture Trustee shall not be deemed to have notice of any default or Event of Default unless written notice thereof is received by the Indenture Trustee.

The Indenture Trustee shall not be responsible for, and does not make any representation (subject to certain exceptions) with respect to, the following:

- the validity or adequacy of the Indenture or the Bonds;
- the Issuing Entity's use of the proceeds from the Bonds;
- any statement of the Issuing Entity in the Indenture or in any document issued in connection with the sale of the Bonds or in the Bonds other than the Indenture Trustee's certificate of authentication;
- the form, character, genuineness, sufficiency, value or validity of any of the Collateral or for or in respect of the Bonds (other than the certificate of authentication for the Bonds) or the Basic Documents;
- the filing of any financing statements, the recording of any documents or otherwise perfecting the security interest in the Collateral;
- any liability, duty or obligation to any Holder, other than as expressly provided in the Indenture or the other applicable Basic Document; or

- any default or misconduct of the Issuing Entity, the Seller or the Servicer under the Basic Documents or otherwise.

Indemnification of the Indenture Trustee by the Issuing Entity

The Issuing Entity shall indemnify and hold harmless the Indenture Trustee and its officers, directors, employees and agents (each referred to in this prospectus as an Indemnified Person) against any and all cost, damage, loss, liability, tax or expense (including reasonable attorneys' fees and expenses, the fees of experts and agents and any reasonable extraordinary out-of-pocket expenses) incurred by it in connection with the administration and the enforcement of the Indenture, the Series Supplement and the other Basic Documents.

The Issuing Entity shall not be required to indemnify an Indemnified Person for any amount paid by such Indemnified Person in the settlement of any action, proceeding or investigation without the prior written consent of the Issuing Entity, which consent shall not be unreasonably withheld.

With respect to any action, proceeding or investigation brought by a third party for which indemnification may be sought, the Issuing Entity shall be entitled to conduct and control, at its expense and with counsel of its choosing that is reasonably satisfactory to such Indemnified Person, the defense of any such action, proceeding or investigation (in which case the Issuing Entity shall not thereafter be responsible for the fees and expenses of any separate counsel retained by such Indemnified Person except as set forth below); provided that such Indemnified Person shall have the right to participate in such action, proceeding or investigation through counsel chosen by it and at its own expense. Notwithstanding the Issuing Entity's election to assume the defense of any action, proceeding or investigation, such Indemnified Person shall have the right to employ separate counsel (including one appropriate local counsel), and the Issuing Entity shall bear the reasonable fees, costs and expenses of such separate counsel if:

- the defendants in any such action include both the Indemnified Person and the Issuing Entity and the Indemnified Person shall have reasonably concluded that there may be legal defenses available to it that are different from or additional to those available to the Issuing Entity;
- the Issuing Entity shall not have employed counsel reasonably satisfactory to the Indemnified Person to represent the Indemnified Person within a reasonable time after notice of the institution of such action; or
- the Issuing Entity shall authorize the Indemnified Person to employ separate counsel at the expense of the Issuing Entity.

Notwithstanding the foregoing, the Issuing Entity shall not be obligated to pay for the fees, costs and expenses of more than one separate counsel for the Indemnified Person other than one appropriate local counsel. The Issuing Entity need not reimburse any expense or indemnify against any loss, liability or expense incurred by the Indenture Trustee through the Indemnified Person's own willful misconduct, negligence or bad faith.

Annual Report of Indenture Trustee

If required by the Trust Indenture Act, the Indenture Trustee will be required to send each year to all Holders a brief report. The report must state, among other things:

- the Indenture Trustee's eligibility and qualification to continue as the Indenture Trustee under the Indenture;
- any amounts advanced by it under the Indenture;
- the amount, interest rate and maturity date of specific indebtedness owing by the Issuing Entity to the Indenture Trustee in the Indenture Trustee's individual capacity;
- the property and funds physically held pursuant to the Indenture; and
- any action taken by it that materially affects the Bonds and that has not been previously reported.

Annual Compliance Statement

The Issuing Entity will file annually with the Indenture Trustee and the Rating Agencies a written statement as to whether the Issuing Entity has fulfilled its obligations under the Indenture.

Satisfaction and Discharge of Indenture

The Indenture will cease to be of further effect with respect to the Bonds and the Indenture Trustee, on the Issuing Entity's reasonable written demand and at the Issuing Entity's expense, will execute instruments acknowledging satisfaction and discharge of the Indenture with respect to the Bonds, when:

- either:
  - all Bonds that have already been authenticated or delivered, with certain exceptions set forth in the Indenture, have been delivered to the Indenture Trustee for cancellation; or
  - either the Scheduled Final Payment Date for the latest maturing tranche of the Bonds not delivered for cancellation has occurred or will occur within one year and the Issuing Entity has irrevocably deposited or cause to be deposited in trust with the Indenture Trustee cash and/or U.S. government obligations that through the scheduled payments of principal and interest in accordance with their terms are in an amount sufficient to pay principal, interest and premium, if any, on the Bonds and Ongoing Other Qualified Costs and all other sums payable by the Issuing Entity with respect to the Bonds when scheduled to be paid and to discharge the entire indebtedness on such Bonds when due;
- the Issuing Entity has paid or caused to be paid all other sums payable by it under the Indenture with respect to the Bonds; and
- the Issuing Entity has delivered to the Indenture Trustee an officer's certificate, an opinion of the Issuing Entity's external counsel, and, if required by the Trust Indenture Act or the Indenture Trustee, a certificate from a firm of independent registered public accountants, each stating that all conditions precedent in the Indenture relating to the satisfaction and discharge of the Indenture have been complied with.

The Issuing Entity's Legal and Covenant Defeasance Options

The Issuing Entity may, at any time, terminate all of its obligations under the Indenture, referred to in this prospectus as the Legal Defeasance Option, or terminate its obligations to comply with some of the covenants in the Indenture, including some of the covenants described under "*Description of the Bonds — Issuing Entity's Covenants*" in this prospectus, referred to in this prospectus as the Covenant Defeasance Option.

The Issuing Entity may exercise the Legal Defeasance Option notwithstanding its prior exercise of the Covenant Defeasance Option. If the Issuing Entity exercises the Legal Defeasance Option, the Bonds will be entitled to payment only from the funds or other obligations set aside under the Indenture for payment thereof as described below. If the Issuing Entity exercises the Legal Defeasance Option, the maturity of the Bonds may not be accelerated because of an Event of Default. If the Issuing Entity exercises the Covenant Defeasance Option, the maturity of the Bonds may not be accelerated because of an Event of Default relating to a default in the observance or performance of any of the Issuing Entity's covenants or agreements made in the Indenture (other than default relating to nonpayment of principal and interest on any Bond).

The Indenture provides that the Issuing Entity may exercise its Legal Defeasance Option or its Covenant Defeasance Option only if:

- the Issuing Entity irrevocably deposits or causes to be irrevocably deposited in trust with the Indenture Trustee cash and/or U.S. government obligations that through the scheduled payments of principal and interest in accordance with their terms are in an amount sufficient to pay principal, interest and premium, if any, on the Bonds and all other sums payable by the Issuing Entity under the Indenture with respect to the Bonds when scheduled to be paid and to discharge the entire indebtedness on the Bonds when due;

- the Issuing Entity delivers to the Indenture Trustee a certificate from a nationally recognized firm of independent registered public accountants expressing its opinion that the payments of principal of and interest on the U.S. government obligations when due and without reinvestment plus any deposited cash will provide cash at times and in sufficient amounts (but, in the case of the Legal Defeasance Option only, not more than such amounts) to pay in respect of the Bonds:
  - principal in accordance with the expected sinking fund schedule therefor;
  - interest when due; and
  - Ongoing Other Qualified Costs and all other sums payable by the Issuing Entity under the Indenture with respect to the Bonds;
- in the case of the Legal Defeasance Option, 95 days pass after the deposit is made and during the 95-day period no default relating to events of the Issuing Entity's bankruptcy, insolvency, receivership or liquidation occurs and is continuing at the end of the period;
- no default has occurred and is continuing on the day of such deposit and after giving effect thereto;
- in the case of the Legal Defeasance Option, the Issuing Entity delivers to the Indenture Trustee an opinion of the Issuing Entity's external counsel stating that the Issuing Entity has received from, or there has been published by, the IRS a ruling, or since the date of execution of the Indenture, there has been a change in the applicable U.S. federal income tax law, and in either case confirming that the Holders will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the exercise of the Legal Defeasance Option and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if the legal defeasance had not occurred;
- in the case of the Covenant Defeasance Option, the Issuing Entity delivers to the Indenture Trustee an opinion of the Issuing Entity's external counsel to the effect that the Holders will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the exercise of the Covenant Defeasance Option and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if the covenant defeasance had not occurred;
- the Issuing Entity delivers to the Indenture Trustee a certificate of one of the Issuing Entity's officers and an opinion of the Issuing Entity's counsel, each stating that all conditions precedent to the satisfaction and discharge of the Bonds have been complied with as required by the Indenture;
- the Issuing Entity delivers to the Indenture Trustee an opinion of external counsel of the Issuing Entity to the effect that: in a case under the Bankruptcy Code in which Consumers Energy (or any of its affiliates, other than the Issuing Entity) is the debtor, the court would hold that the deposited moneys or U.S. government obligations would not be property of the bankruptcy estate of Consumers Energy (or any of its affiliates, other than the Issuing Entity, that deposited the moneys or U.S. government obligations); and in the event Consumers Energy (or any of its affiliates, other than the Issuing Entity, that deposited the moneys or U.S. government obligations) were to be a debtor in a case under the Bankruptcy Code, the court would not disregard the separate legal existence of Consumers Energy (or any of its affiliates, other than the Issuing Entity, that deposited the moneys or U.S. government obligations) and the Issuing Entity so as to order the substantive consolidation of the Issuing Entity's assets and liabilities with the assets and liabilities of Consumers Energy or such other affiliate; and
- the Rating Agency Condition shall have been satisfied with respect to the exercise of any Legal Defeasance Option or Covenant Defeasance Option.

No Recourse to Others

No recourse may be taken, directly or indirectly, with respect to the obligations of the Issuing Entity or the Indenture Trustee on the Bonds or under the Indenture or any supplement thereto or any certificate or other writing delivered in connection therewith, against any owner of a membership interest in the Issuing Entity (including Consumers Energy) or any shareholder, partner, owner, beneficiary, agent, officer,

director or employee of the Indenture Trustee, the Managers or any owner of a membership interest in the Issuing Entity (including Consumers Energy) in its respective individual capacity, or of any successor or assign of any of them in their respective individual or corporate capacities, except as any such Person may have expressly agreed in writing.

Notwithstanding any provision of the Indenture or the Series Supplement to the contrary, Holders shall look only to the Collateral with respect to any amounts due to the Holders under the Indenture, the Series Supplement and the Bonds, and, in the event such Collateral is insufficient to pay in full the amounts owed on the Bonds, shall have no recourse against the Issuing Entity in respect of such insufficiency. Each Holder by accepting a Bond specifically confirms the non-recourse nature of these obligations, and waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Bonds.

DESCRIPTION OF THE INDENTURE TRUSTEE

The Bank of New York Mellon, a New York banking corporation, will act as the Indenture Trustee, Paying Agent and registrar for the Bonds. The Bank of New York Mellon has acted as indenture trustee on numerous electric utility sponsored bond transactions. The Indenture and Series Supplement will be administered from The Bank of New York Mellon, Corporate Trust Department located at 240 Greenwich Street, Floor 7 East, New York, New York 10286, Attn: Corporate Trust Administration. In the ordinary course of business, The Bank of New York Mellon is named as a defendant in legal actions. In connection with its role as trustee of certain residential mortgage-backed securitization, or RMBS, transactions, The Bank of New York Mellon has been named as a defendant in a number of legal actions brought by RMBS investors. These lawsuits allege that the trustee had expansive duties under the governing agreements, including the duty to investigate and pursue breach of representation and warranty claims against other parties to the RMBS transactions. While it is inherently difficult to predict the eventual outcomes of pending actions, The Bank of New York Mellon denies liability and intends to defend the litigations vigorously.

The Indenture Trustee may resign at any time upon 30 days' prior written notice to the Issuing Entity. The Holders of a majority of aggregate outstanding principal amount of the Bonds may remove the Indenture Trustee upon 30 days' prior written notice to the Indenture Trustee and may appoint a successor Indenture Trustee. The Issuing Entity will remove the Indenture Trustee if the Indenture Trustee ceases to be eligible to continue in this capacity under the Indenture, the Indenture Trustee becomes a debtor in a bankruptcy proceeding or is adjudicated insolvent, a receiver or other public officer takes charge of the Indenture Trustee or its property, the Indenture Trustee becomes incapable of acting or the Indenture Trustee fails to provide to the Issuing Entity any information pertaining to the Indenture Trustee it reasonably requests that is necessary for the Issuing Entity to satisfy its reporting obligations under the federal securities laws. If the Indenture Trustee resigns or is removed or a vacancy exists in the office of Indenture Trustee for any reason, the Issuing Entity will be obligated promptly to appoint a successor Indenture Trustee eligible under the Indenture and notice of such appointment is required to be promptly given to each Rating Agency by the successor Indenture Trustee. No resignation or removal of the Indenture Trustee will become effective until acceptance of the appointment by a successor Indenture Trustee. The Issuing Entity is responsible for payment of the expenses associated with any such removal or resignation.

The Indenture Trustee will at all times satisfy the requirements of the Trust Indenture Act and Section 26(a)(1) of the 1940 Act and have a combined capital and surplus of at least $50,000,000 and a long-term debt rating of "Baa3" or better by Moody's and "BBB−" or better by S&P. If the Indenture Trustee consolidates with, merges or converts into, or transfers all or substantially all of its corporate trust business or assets to, another entity, the resulting, surviving or transferee entity will without any further action be the successor Indenture Trustee.

The Indenture Trustee shall not be liable for any action it takes or omits to take in good faith that it believes to be authorized or within its rights or powers under the Indenture; provided that its conduct does not constitute willful misconduct, negligence or bad faith. The Issuing Entity has agreed to indemnify and hold harmless the Indenture Trustee and its officers, directors, employees and agents against any and all loss, liability or expense (including reasonable attorney's fees and expenses, the fees of experts and agents and the reasonable fees, expenses and costs incurred in connection with any action, claim or suit brought to enforce the Indenture Trustee's right to indemnification) incurred by it in connection with the administration and enforcement of the Indenture, the Series Supplement and the other Basic Documents and the performance of its duties under the Indenture and its obligations under or pursuant to the Indenture, the Series Supplement and the other Basic Documents, provided that the Issuing Entity is not required to pay any expense or indemnify against any loss, liability or expense incurred by the Indenture Trustee through the Indenture Trustee's own willful misconduct, negligence or bad faith, and subject to the written consent of the Issuing Entity and certain other requirements in the case of the settlement of any action, proceeding or investigation. Please read "*Security for the Bonds — How Funds in the Collection Account will be Allocated*" in this prospectus.

The Issuing Entity, Consumers Energy and their respective affiliates may from time to time enter into normal banking and trustee relationships with the Indenture Trustee and its affiliates. The Bank of New York Mellon serves or has served as indenture trustee, paying agent and registrar on several issues of similar asset-backed securities, including the Series 2014A Securitization Bonds. The Bank of New York Mellon is

also the trustee under Consumers Energy's indenture dated as of September 1, 1945 pursuant to which Consumers Energy has issued first mortgage bonds. The Bank of New York Mellon and its affiliates are party to lending, banking and other financial services arrangements with certain affiliates of Consumers Energy, including CMS Energy.

No relationships currently exist or existed during the past two years between Consumers Energy, the Issuing Entity and each of their respective affiliates, on the one hand, and the Indenture Trustee and its affiliates, on the other hand, that would be outside the ordinary course of business or on terms other than would be obtained in an arm's length transaction with an unrelated third party.

SECURITY FOR THE BONDS

General

The Bonds issued under the Indenture will be non-recourse obligations and are payable solely from and secured solely by a pledge of and lien on the Securitization Property and the other Collateral as provided in the Indenture. If and to the extent the Securitization Property and the other assets of the trust estate are insufficient to pay all amounts owing with respect to the Bonds, then the Holders will generally have no claim in respect of such insufficiency against the Issuing Entity or any other Person. By the acceptance of the Bonds, the Holders waive any such claim.

Pledge of Collateral

To secure the payment of principal of and interest on the Bonds, the Issuing Entity will grant to the Indenture Trustee a security interest in all of the Issuing Entity's right, title and interest (whether owned on the issuance date or thereafter acquired or arising) in and to the following property:

- the Securitization Property created under and pursuant to the Financing Order and the Statute, and transferred by the Seller to the Issuing Entity pursuant to the Sale Agreement (including, to the fullest extent permitted by law, the right to impose, collect and receive the Securitization Charges, the right to obtain periodic adjustments to the Securitization Charges, and all revenue, collections, payments, money and proceeds arising out of the rights and interests created under the Financing Order);
- all Securitization Charges related to the Securitization Property;
- the Sale Agreement and the Bill of Sale executed in connection therewith and all property and interests in property transferred under the Sale Agreement and the Bill of Sale with respect to the Securitization Property and the Bonds;
- the Servicing Agreement, the Administration Agreement, the Intercreditor Agreement and any subservicing, agency, administration or collection agreements executed in connection therewith, to the extent related to the foregoing Securitization Property and the Bonds;
- the Collection Account, all subaccounts thereof and all amounts of cash, instruments, investment property or other assets on deposit therein or credited thereto from time to time and all financial assets and securities entitlements carried therein or credited thereto;
- all rights to compel the Servicer to file for and obtain periodic adjustments to the Securitization Charges in accordance with Section 10k(3) of the Statute, the Financing Order or any securitization rate schedule filed in connection therewith;
- all present and future claims, demands, causes and choses in action in respect of any or all of the foregoing, whether such claims, demands, causes and choses in action constitute Securitization Property, accounts, general intangibles, instruments, contract rights, chattel paper or proceeds of such items or any other form of property;
- all accounts, chattel paper, deposit accounts, documents, general intangibles, goods, instruments, investment property, letters of credit, letters-of-credit rights, money, commercial tort claims and supporting obligations related to the foregoing; and
- all payments on or under, and all proceeds in respect of, any or all of the foregoing.

The security interest does not extend to:

- amounts released to the Issuing Entity from investment earnings on deposit in the Capital Subaccount to Consumers Energy;
- amounts deposited in the Capital Subaccount or any other account or subaccount that have been released to the Issuing Entity following retirement of the Bonds; and
- amounts deposited with the Issuing Entity on the issuance date for payment of costs of issuance with respect to the Bonds (together with any investment earnings thereon).

The foregoing assets in which the Issuing Entity, as assignee of the Seller, will grant the Indenture Trustee a security interest are referred to in this prospectus as the Collateral.

The Collateral for the Bonds will be separate from the collateral for the Series 2014A Securitization Bonds, and the holders of the Series 2014A Securitization Bonds will have no recourse to the Collateral for the Bonds.

Security Interest in the Collateral

The Statute provides that Securitization Property shall constitute an account as that term is defined under the Michigan UCC. The Statute further provides that, notwithstanding the provisions of the Michigan UCC, the law of the State of Michigan shall govern the perfection and the effect of perfection and priority of any security interest in the Securitization Property, and that the Statute shall control in any conflict between the Statute and any other law of the State of Michigan regarding the attachment and perfection and the effect of perfection and priority of any security interest in Securitization Property. In addition, the Statute provides that a valid and enforceable lien and security interest in Securitization Property may be created only by a financing order (including the Financing Order) and the execution and delivery of a security agreement (such as the Indenture) with a Financing Party in connection with the issuance of securitization bonds. The Statute provides that the lien and security interest shall attach automatically from the time that value is received for the Bonds and shall be a continuously perfected lien and security interest in the Securitization Property, and all proceeds of the property, whether accrued or not, shall have priority in the order of filing when a financing statement has been filed with respect to the security interest in accordance with the Michigan UCC and take precedence over any subsequent judicial and other lien creditor. In addition to the rights and remedies provided by the Statute, the Statute provides that all rights and remedies with respect to a security interest provided by the Michigan UCC shall apply to the Securitization Property and that the transfer of an interest in Securitization Property to an assignee shall be perfected against all third parties, including subsequent judicial and other lien creditors, when a financing statement has been filed with respect to the transfer in accordance with the Michigan UCC. The Statute further provides that the priority of a lien and security interest under the Statute is not impaired by any later modification of the Financing Order or by the commingling of funds arising from Securitization Charges with other funds, that any other security interest that may apply to those funds shall be terminated when they are transferred to a segregated account for the assignee or a Financing Party and that, if Securitization Property has been transferred to an assignee, any proceeds of that property shall be held in trust for the assignee.

The Indenture states that it constitutes a security agreement within the meaning of the Statute. The Servicer's duties under the Servicing Agreement include the filing with the Michigan Department of State of the filing required by the Statute to perfect the lien of the Indenture Trustee in the Securitization Property. The Seller will represent, at the time of issuance of the Bonds, that no prior filing has been made under the terms of the Statute with respect to the Securitization Property securing the Bonds to be issued other than a filing that provides the Indenture Trustee with a first priority perfected security interest in such Securitization Property.

Right of Sequestration

The Statute provides that, in the event of default by the electric utility or its successors in payment of revenues arising with respect to Securitization Property, the MPSC or a court of appropriate jurisdiction, upon the application of the Financing Party, and without limiting any other remedies available to the Financing Party, shall order the sequestration and payment to the Financing Party of revenues arising with respect to the Securitization Property and that an order shall remain in full force and effect notwithstanding any bankruptcy, reorganization or other insolvency proceedings with respect to the debtor, pledgor or transferor of the property.

Description of Indenture Accounts

Collection Account

Pursuant to the Indenture, the Issuing Entity will establish a segregated trust account for the benefit of the Indenture Trustee with an Eligible Institution for the Bonds called the Collection Account. The Collection

Account will be under the sole dominion and exclusive control of the Indenture Trustee. The Indenture Trustee will hold the Collection Account for the Issuing Entity's benefit as well as for the benefit of the Holders. The Collection Account will consist of three subaccounts: a General Subaccount, an Excess Funds Subaccount and a Capital Subaccount, which need not be separate bank accounts. For administrative purposes, the subaccounts may be established by the Indenture Trustee as separate accounts that will be recognized individually as subaccounts and collectively as the Collection Account. All amounts in the Collection Account not allocated to any other subaccount will be allocated to the General Subaccount.

Unless the context indicates otherwise, references in this prospectus to the Collection Account include the Collection Account and each of the subaccounts contained therein.

The following institutions are eligible institutions for the establishment of the Collection Account, referred to in this prospectus as Eligible Institutions:

- the corporate trust department of the Indenture Trustee, so long as any of the securities of the Indenture Trustee have:
  - either a short-term credit rating from Moody's of at least "P-1" or a long-term unsecured debt rating from Moody's of at least "A2"; and
  - a credit rating from S&P of at least "A"; or
- a depository institution organized under the laws of the United States of America or any state (or any domestic branch of a foreign bank):
  - that has either:
    - a long-term issuer rating of "AA−" or higher by S&P and "A2" or higher by Moody's; or
    - a short-term issuer rating of "A-1" or higher by S&P and "P-1" or higher by Moody's; and
  - whose deposits are insured by the Federal Deposit Insurance Corporation.

Eligible Investments for Funds in the Collection Account

Funds in the Collection Account may be invested only in such investments, referred to in this prospectus as Eligible Investments, as meet the criteria described below and that mature on or before the Business Day immediately preceding the next Payment Date or Special Payment Date, if applicable, for the Bonds:

(a) direct obligations of, or obligations fully and unconditionally guaranteed as to timely payment by, the United States of America;

(b) demand or time deposits of, unsecured certificates of deposit of, money market deposit accounts of or bankers' acceptances issued by, any depository institution (including the Indenture Trustee, acting in its commercial capacity) incorporated or organized under the laws of the United States of America or any state thereof and subject to the supervision and examination by U.S. federal or state banking authorities, so long as the commercial paper or other short-term debt obligations of such depository institution are, at the time of deposit or contractual commitment, rated as least "A-1" and "P-1" or their equivalents by each of S&P and Moody's, or such lower rating as will not result in the downgrading or withdrawal of the Bonds;

(c) commercial paper (including commercial paper of the Indenture Trustee, acting in its commercial capacity, and other than commercial paper issued by Consumers Energy or any of its affiliates) having, at the time of investment or contractual commitment to invest, a rating of at least "A-1" and "P-1" or their equivalents by each of S&P and Moody's or such lower rating as will not result in the downgrading or withdrawal of the ratings of the Bonds;

(d) investments in money market funds that have a rating in the highest investment category granted thereby (including funds for which the Indenture Trustee or any of its affiliates is investment manager or advisor) from Moody's and S&P;

(e) repurchase obligations with respect to any security that is a direct obligation of, or fully guaranteed

by, the United States of America or certain of its agencies or instrumentalities, entered into with Eligible Institutions;

(f) repurchase obligations with respect to any security or whole loan entered into with an Eligible Institution or with a registered broker-dealer acting as principal and that meets certain ratings criteria; and

(g) any other investment permitted by each Rating Agency.

Notwithstanding the foregoing:

- no securities or investments that mature in 30 days or more will be Eligible Investments unless the issuer thereof has either a short-term unsecured debt rating of at least "P-1" from Moody's or a long-term unsecured debt rating of at least "A1" from Moody's;
- no securities or investments described in bullet points (b) through (d) above that have maturities of more than 30 days but less than or equal to three months will be Eligible Investments unless the issuer thereof has a long-term unsecured debt rating of at least "A1" from Moody's and a short-term unsecured debt rating of at least "P-1" from Moody's;
- no securities or investments described in bullet points (b) through (d) above that have maturities of more than three months will be Eligible Investments unless the issuer thereof has a long-term unsecured debt rating of at least "A1" from Moody's and a short-term unsecured debt rating of at least "P-1" from Moody's;
- no securities or investments described in bullet points (b) through (d) above that have a maturity of 60 days or less will be Eligible Investments unless such securities have a rating from S&P of at least "A-1"; and
- no securities or investments described in bullet points (b) through (d) above that have a maturity of more than 60 days will be Eligible Investments unless such securities have a rating from S&P of at least "AA-", "A-1+" or "AAAm".

The Indenture Trustee will have access to the Collection Account for the purpose of making deposits in and withdrawals from the Collection Account in accordance with the Indenture. The Servicer will select the Eligible Investments in which funds will be invested, unless otherwise directed by the Issuing Entity. The Indenture Trustee shall have no investment discretion. Absent written instructions to invest, funds shall remain uninvested.

The Servicer will remit collections of the Securitization Charges to the Collection Account in the manner described under "*The Servicing Agreement — Remittances to Collection Account*" in this prospectus.

General Subaccount

The General Subaccount will hold all funds held in the Collection Account that are not held in the other two subaccounts. Prior to the initial Payment Date, all amounts in the Collection Account (other than funds deposited into the Capital Subaccount up to the Required Capital Level) shall be allocated to the General Subaccount. The Servicer will remit all collections of the Securitization Charges to the General Subaccount. On or prior to each Payment Date, the Indenture Trustee will draw on funds in the General Subaccount to pay the Issuing Entity's expenses and to pay interest and make scheduled payments on the Bonds, and to make other payments and transfers in accordance with the terms of the Indenture. Funds in the General Subaccount will be invested in the Eligible Investments described above. If the Bonds have been retired as of any Payment Date, the amounts on deposit in the General Subaccount, if any, will be released to the Issuing Entity, free of the lien of the Indenture and the Series Supplement.

Excess Funds Subaccount

The Indenture Trustee, at the direction of the Servicer, will allocate to the Excess Funds Subaccount any amounts on deposit in the General Subaccount available with respect to any Payment Date in excess of amounts necessary to make the payments specified in the Indenture on such Payment Date. The Excess Funds Subaccount will also hold all investment earnings on the Collection Account (other than investment

earnings on the Capital Subaccount) in excess of such amounts. If the Bonds have been retired as of any Payment Date, the amounts on deposit in the Excess Funds Subaccount, if any, will be released to the Issuing Entity, free of the lien of the Indenture and the Series Supplement.

Capital Subaccount

In connection with the issuance of the Bonds, the Seller, in its capacity as the sole member of the Issuing Entity, will contribute capital to the Issuing Entity in an amount equal to the Required Capital Level, which will be equal to 0.50% of the initial aggregate principal amount of the Bonds issued. This amount will be funded by the Seller and not from the proceeds of the sale of the Bonds, and will be deposited into the Capital Subaccount on the issuance date. In the event that amounts on deposit in the General Subaccount and the Excess Funds Subaccount are insufficient to make scheduled payments of principal of and interest on the Bonds and payments of fees and expenses contemplated by the first eight clauses under "*Security for the Bonds — How Funds in the Collection Account will be Allocated*" in this prospectus, the Servicer will direct the Indenture Trustee to draw on amounts in the Capital Subaccount to make such payments up to the lesser of the amount of such insufficiency and the amounts on deposit in the Capital Subaccount. In the event of any such withdrawal, collections of Securitization Charges available on any subsequent Payment Date that are not necessary to pay scheduled payments of principal of and interest on the Bonds and payments of fees and expenses will be used to replenish any amounts drawn from the Capital Subaccount. If the Bonds have been retired as of any Payment Date, the amounts on deposit in the Capital Subaccount (including any investment earnings thereon), if any, will be released to the Issuing Entity, free of the lien of the Indenture and the Series Supplement.

How Funds in the Collection Account will be Allocated

On each Payment Date, the Indenture Trustee will, solely at the written direction of the Servicer, apply all amounts on deposit in the Collection Account, including all investment earnings thereon, in the following priority:

(1) amounts owed by the Issuing Entity to the Indenture Trustee (including legal fees and expenses and outstanding indemnity amounts) shall be paid to the Indenture Trustee in an amount not to exceed $250,000 per annum; provided, however, that such capped amount shall be disregarded and inapplicable following an Event of Default;

(2) the servicing fee with respect to such Payment Date and any unpaid servicing fees for prior Payment Dates shall be paid to the Servicer;

(3) the administration fee for such Payment Date shall be paid to the Administrator and the independent Manager fee for such Payment Date shall be paid to each independent Manager, and in each case with any unpaid administration fees or independent Manager fees from prior Payment Dates;

(4) all other ordinary and periodic operating expenses of the Issuing Entity for such Payment Date not described above shall be paid to the parties to which such operating expenses are owed;

(5) interest due on the Bonds for such Payment Date, including any overdue interest due on the Bonds, shall be paid to the Holders;

(6) principal required to be paid on the Bonds on the Final Maturity Date of each tranche of the Bonds or as a result of an acceleration upon an Event of Default shall be paid to the Holders;

(7) scheduled principal payments on the Bonds for such Payment Date, in accordance with the expected amortization schedule included in this prospectus, including any previously unpaid scheduled principal payments, shall be paid to the Holders, pro rata if there is a deficiency;

(8) any other unpaid operating expenses (including any such fees, expenses and indemnity amounts owed to the Indenture Trustee but unpaid due to the limitation in clause (1) above) of the Issuing Entity and any remaining amounts owed pursuant to the Basic Documents shall be paid to the parties to which such operating expenses or remaining amounts are owed;

(9) replenishment of the amount, if any, by which the Required Capital Level exceeds the amount in the Capital Subaccount as of such Payment Date shall be allocated to the Capital Subaccount;

(10) as long as no Event of Default has occurred or is continuing, the investment earnings on deposit in the Capital Subaccount shall be paid to Consumers Energy;

(11) the balance, if any, shall be allocated to the Excess Funds Subaccount; and

(12) after the Bonds have been paid in full and discharged, and all of the other foregoing amounts have been paid in full, together with all amounts due and payable to the Indenture Trustee under the Indenture, the balance (including all amounts then held in the Capital Subaccount and the Excess Funds Subaccount), if any, shall be paid to the Issuing Entity, free from the lien of the Indenture.

If on any Payment Date, or, for any amounts payable under clauses (1) through (4) above, on any Business Day, funds on deposit in the General Subaccount are insufficient to make the payments contemplated by clauses (1) through (8) above, the Servicer will direct the Indenture Trustee to draw from amounts on deposit in the Excess Funds Subaccount, and, if such amounts remain insufficient, then to draw from amounts on deposit in the Capital Subaccount, in each case, up to the amount of such shortfall in order to make the payments contemplated by clauses (1) through (8) above. In addition, if on any Payment Date funds on deposit in the General Subaccount are insufficient to make the allocations contemplated by clause (9) above, the Servicer will direct the Indenture Trustee to draw from amounts on deposit in the Excess Funds Subaccount to make such allocations to the Capital Subaccount.

On any Business Day upon which the Indenture Trustee receives a written request from the Administrator stating that any operating expense payable by the Issuing Entity pursuant to clauses (1) through (4) above will become due and payable prior to the next Payment Date, and setting forth the amount and nature of such operating expense, as well as any supporting documentation that the Indenture Trustee may reasonably request, the Indenture Trustee, upon receipt of such information, will make payment of such operating expenses on or before the date such payment is due from amounts on deposit in the General Subaccount, the Excess Funds Subaccount and the Capital Subaccount, in that order, and only to the extent required to make such payment.

WEIGHTED AVERAGE LIFE AND YIELD CONSIDERATIONS FOR THE BONDS

Weighted Average Life Sensitivity

Weighted average life refers to the average amount of time from the date of issuance of a security until each dollar of principal of the security has been repaid to the investor. The rate of principal payments on the Bonds, the aggregate amount of each interest payment on the Bonds and the actual final Payment Date of each tranche of Bonds will depend primarily on the timing of receipt of collected Securitization Charges by the Indenture Trustee and the application of the True-Up Adjustments. The aggregate amount of collected Securitization Charges will depend, in part, on actual electricity usage relative to the forecast used to set the Securitization Charges and the rate of delinquencies and write-offs. The Securitization Charges are required to be adjusted from time to time based in part on the actual rate of Securitization Charge collections. However, the Issuing Entity can give no assurance that the Servicer will be able to accurately forecast actual electricity usage and the rate of delinquencies and write-offs or implement adjustments to the Securitization Charges that will cause Securitization Charge collections to be received at any particular rate. Please read "*Risk Factors — Risks Associated with Servicing — Inaccurate consumption or collection forecasting might reduce scheduled payments on the Bonds*" and "*The Servicing Agreement — True-Up Mechanism*" in this prospectus. Changes in the expected weighted average lives of the Bonds in relation to variances in actual energy consumption levels (electric sales) from forecast levels are shown below.

The Bonds may be retired later than expected. Except in the event of an acceleration of the expected amortization schedule of the Bonds after an Event of Default, however, the Bonds will not be paid at a rate faster than that contemplated in the expected amortization schedule even if the receipt of Securitization Charge collections is accelerated. Instead, receipts in excess of the amounts necessary to amortize the Bonds in accordance with the expected amortization schedule to pay interest and Ongoing Other Qualified Costs and any other related fees and expenses and to fund deficiencies in the Capital Subaccount will be allocated to the Excess Funds Subaccount. Amounts on deposit in the Excess Funds Subaccount will be taken into consideration in calculating the next True-Up Adjustment.

Acceleration of the Bonds after an Event of Default in accordance with the terms thereof may result in payment of principal earlier than the applicable Scheduled Final Payment Date. A payment on a date that is earlier than forecast might result in a shorter weighted average life, and a payment on a date that is later than forecast might result in a longer weighted average life. In addition, if a larger portion of the delayed payments on the Bonds is received in later years, the Bonds may have a longer weighted average life.

Weighted Average Life Sensitivity

		-5% (1.35 Standard Deviations from Mean)		-15% (4.90 Standard Deviations from Mean)	
Tranche	Expected Weighted Average Life (Years)	WAL (Years)	Change (Days)*	WAL (Years)	Change (Days)*
A-1	1.78	1.78	—	1.80	7
A-2	5.12	5.12	—	5.13	4

* Number is rounded to whole days

Assumptions

For the purposes of preparing the above chart, the following assumptions, among others, have been made:

- in relation to the initial forecast, the forecast error stays constant over the life of the Bonds and is equal to an overestimate of electricity consumption of 5% (1.35 standard deviations from mean) or 15% (4.90 standard deviations from mean);
- the Servicer makes timely and accurate filings to make True-Up Adjustments to the Securitization Charges semi-annually;
- customer charge-off rates are held constant at 0.37% for all classes of customers;

- days outstanding are based upon historical averages;
- all Securitization Charges are remitted 43 days after such charges are billed;
- operating expenses are equal to projections;
- there is no acceleration of the applicable Final Maturity Date of the Bonds;
- a permanent loss of all Customers has not occurred; and
- the issuance date of the Bonds is December 12, 2023.

There can be no assurance that the weighted average lives of the Bonds will be as shown.

THE SALE AGREEMENT

The following summary describes particular material terms and provisions of the Sale Agreement pursuant to which the Issuing Entity will purchase Securitization Property from the Seller. The form of the Sale Agreement is being filed as an exhibit to the registration statement of which this prospectus forms a part.

Sale and Assignment of Securitization Property

On the issuance date, the Seller will irrevocably sell to the Issuing Entity, without recourse, its entire right, title and interest in, to and under the Securitization Property, subject to the satisfaction of the conditions specified in the Sale Agreement, the Indenture and the Series Supplement. The Securitization Property will include the right to impose, collect and receive Securitization Charges in an amount necessary to provide for recovery of the principal of and interest on the Bonds and Ongoing Other Qualified Costs, the right to obtain True-Up Adjustments of the Securitization Charges as provided in the Financing Order and the Statute, and all revenue, collections, payments, money and proceeds arising from those rights and interests. The Issuing Entity will finance the purchase of the Securitization Property through the issuance of the Bonds.

The Statute provides that Securitization Property shall constitute the Issuing Entity's present property right even though the imposition and collection of Securitization Charges depends on the further acts of the electric utility or others that have not yet occurred. The Statute also provides that an agreement by an electric utility or assignee to transfer Securitization Property that expressly states that the transfer is a sale or other absolute transfer signifies that the transaction is a true sale and is not a secured transaction and that title, legal and equitable, has passed to the entity to which the Securitization Property is transferred, and that a true sale under this section of the Statute applies regardless of whether the Issuing Entity has any recourse against the Seller, or any other term of the parties' agreement, including the Seller's retention of an equity interest in the Securitization Property, the fact that the Seller acts as a collector of Securitization Charges relating to the Securitization Property or the treatment of the transfer as a financing for tax, financial reporting or other purposes.

The Statute further provides that, upon the issuance of the Financing Order, the execution and delivery of the Sale Agreement and the related Bill of Sale and the filing of a financing statement with the Michigan Department of State in accordance with the Michigan UCC, the transfer of the Securitization Property will be perfected as against all third parties, including subsequent judicial or other lien creditors.

Conditions to the Sale of the Securitization Property

The Issuing Entity's obligation to purchase and the Seller's obligation to sell the Securitization Property on the issuance date is subject to the satisfaction of each of the following conditions:

- on or prior to the issuance date, the Seller must deliver to the Issuing Entity a duly executed Bill of Sale identifying the Securitization Property to be conveyed on that date;
- on or prior to the issuance date, the Seller must have received the Financing Order from the MPSC creating the Securitization Property;
- as of the issuance date, the Seller may not be insolvent and may not be made insolvent by the sale of the Securitization Property to the Issuing Entity, and the Seller may not be aware of any pending insolvency with respect to itself;
- as of the issuance date, the representations and warranties of the Seller in the Sale Agreement must be true and correct with the same force and effect as if made on that date (except to the extent they relate to an earlier date); and, on and as of the issuance date, the Seller may not have breached any of its covenants or agreements contained in the Sale Agreement and the Servicer may not be in default under the Servicing Agreement;
- as of the issuance date, the Issuing Entity must have sufficient funds available to pay the purchase price for Securitization Property to be conveyed on the issuance date and all conditions to the issuance of the Bonds intended to provide the funds to purchase that Securitization Property set forth in the Indenture must have been satisfied or waived;

- on or prior to the issuance date, the Seller must have taken all action required to transfer ownership of Securitization Property to be conveyed to the Issuing Entity on the issuance date, free and clear of all liens other than liens created by the Issuing Entity pursuant to the Basic Documents and to perfect such transfer, including filing any statements or filings under the Statute or the applicable UCC, and the Issuing Entity or the Servicer, on the Issuing Entity's behalf, must have taken any action required for the Issuing Entity to grant the Indenture Trustee a lien and first priority perfected security interest in the Collateral and maintain that security interest as of such date;
- the Seller must deliver to the Rating Agencies and the Issuing Entity any opinions of counsel required by the Rating Agencies;
- the Seller must receive and deliver to the Issuing Entity and the Indenture Trustee an opinion or opinions of outside tax counsel (as selected by the Seller, and in form and substance reasonably satisfactory to the Issuing Entity and the underwriters) to the effect that, for U.S. federal income tax purposes:
  - the Issuing Entity will not be treated as a taxable entity separate and apart from its sole owner;
  - the Bonds will be treated as debt of the Issuing Entity's sole owner; and
  - the Seller will not be treated as recognizing gross income upon the issuance of the Bonds;
- on and as of the issuance date, each of the Issuing Entity's certificate of formation, the LLC Agreement, the Servicing Agreement, the Sale Agreement, the Indenture, the Statute and the Financing Order must be in full force and effect;
- as of the issuance date, the Bonds shall have received any rating or ratings required by the Financing Order;
- the Seller must deliver to the Issuing Entity and the Indenture Trustee an officer's certificate confirming the satisfaction of each of these conditions; and
- the Seller must have received the purchase price for the Securitization Property.

Seller Representations and Warranties

In the Sale Agreement, the Seller will represent and warrant to the Issuing Entity and the Indenture Trustee, among other things, that, as of the issuance date of the Bonds:

- The Seller is a corporation duly organized and validly existing and is in good standing under the laws of the State of Michigan, with the requisite corporate power and authority to own its properties as such properties are currently owned and to conduct its business as such business is now conducted by it, and has the requisite corporate power and authority to obtain the Financing Order and own the rights and interests under the Financing Order and to sell and assign those rights and interests to the Issuing Entity, whereupon such rights and interests shall become "Securitization property" as defined in Section 10(j) of the Statute.
- The Seller is duly qualified to do business and is in good standing, and has obtained all necessary licenses and approvals, in all jurisdictions in which the ownership or lease of property or the conduct of its business shall require such qualifications, licenses or approvals (except where the failure to so qualify or obtain such licenses and approvals would not be reasonably likely to have a material adverse effect on the Seller's business, operations, assets, revenues or properties, the Securitization Property, the Issuing Entity or the Bonds).
- The Seller has the requisite corporate power and authority to execute and deliver the Sale Agreement and to carry out its terms; and the execution, delivery and performance of the Seller's obligations under the Sale Agreement have been duly authorized by all necessary corporate action on the part of the Seller under its organizational documents and laws.
- The Sale Agreement constitutes a legal, valid and binding obligation of the Seller, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and other laws relating to or affecting creditors' or secured parties'

rights generally from time to time in effect and to general principles of equity (including concepts of materiality, reasonableness, good faith and fair dealing), regardless of whether considered in a proceeding in equity or at law.

- The consummation of the transactions contemplated by the Sale Agreement and the fulfillment of the terms thereof do not:
  - conflict with or result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time) a default under, the Seller's organizational documents or any indenture or other material agreement or instrument to which the Seller is a party or by which it or any of its properties is bound;
  - result in the creation or imposition of any lien upon any of the Seller's properties pursuant to the terms of any such indenture, agreement or other instrument (other than any lien that may be granted in the Issuing Entity's favor or any lien created in favor of the Indenture Trustee for the benefit of the Holders pursuant to the Statute or any other lien that may be granted under the Basic Documents or that may be created pursuant to the Statute); or
  - violate any existing law or any existing order, rule or regulation applicable to the Seller issued by any Governmental Authority having jurisdiction over the Seller or its properties.
- There are no proceedings pending, and, to the Seller's knowledge, there are no proceedings threatened, and, to the Seller's knowledge, there are no investigations pending or threatened, in each case, before any Governmental Authority having jurisdiction over the Seller or its properties involving or relating to the Seller or the Issuing Entity or, to the Seller's knowledge, any other Person:
  - asserting the invalidity of the Statute, the Financing Order, the Sale Agreement, any of the other Basic Documents or the Bonds;
  - seeking to prevent the issuance of the Bonds or the consummation of any of the transactions contemplated by the Sale Agreement or any of the other Basic Documents;
  - seeking any determination or ruling that could reasonably be expected to materially and adversely affect the performance by the Seller of its obligations under, or the validity or enforceability of, the Statute, the Financing Order, the Sale Agreement, any of the other Basic Documents or the Bonds; or
  - seeking to adversely affect the U.S. federal income tax or state income or franchise tax classification of the Bonds as debt.
- Except for UCC financing statement filings and other filings under the Statute, no approval, authorization, consent, order or other action of, or filing with, any Governmental Authority is required in connection with the execution and delivery by the Seller of the Sale Agreement, the performance by the Seller of the transactions contemplated thereby or the fulfillment by the Seller of the terms thereof, except those that have been obtained or made and those that the Seller, in its capacity as Servicer under the Servicing Agreement, is required to make in the future pursuant to the Servicing Agreement. The Seller has provided the MPSC with a copy of each registration statement, prospectus or other closing document filed with the SEC as part of the transactions contemplated by the Sale Agreement immediately following the filing of the original document.
- Subject to the provisions below regarding assumptions used in calculating the Securitization Charges as of the issuance date and the nature of the representations and warranties, all written information, as amended or supplemented from time to time, provided by the Seller to the Issuing Entity with respect to the Securitization Property (including the expected amortization schedule and the Financing Order) is true and correct in all material respects.
- Other than for U.S. federal income tax purposes and, to the extent consistent with applicable state law, state income and franchise tax purposes, the sale, assignment and transfer of the Securitization Property contemplated by the Sale Agreement constitutes a sale and absolute transfer of the Securitization Property from the Seller to the Issuing Entity, and no interest in, or right or title to, the Securitization Property shall be part of the Seller's estate in the event of the filing of a bankruptcy petition by or against the Seller under any bankruptcy law. No portion of the Securitization

Property has been sold, transferred, assigned, pledged or otherwise conveyed by the Seller to any Person other than the Issuing Entity, and, to the Seller's knowledge (after due inquiry), no security agreement, financing statement or equivalent security or lien instrument listing the Seller as debtor covering all or any part of the Securitization Property is on file or of record in any jurisdiction, except such as may have been filed, recorded or made in favor of the Issuing Entity or the Indenture Trustee in connection with the Basic Documents. The Seller has not authorized the filing of and is not aware (after due inquiry) of any financing statement against it that includes a description of collateral including the Securitization Property other than any financing statement filed, recorded or made in favor of the Issuing Entity or the Indenture Trustee in connection with the Basic Documents.

- Immediately upon the sale of the Securitization Property, the Securitization Property shall be validly transferred and sold to the Issuing Entity, and the Issuing Entity shall own all of the Securitization Property free and clear of all liens other than liens created by the Issuing Entity pursuant to the Indenture. All actions or filings, including filings with the Michigan Department of State pursuant to the Statute, necessary in any jurisdiction to give the Issuing Entity a valid ownership interest in the Securitization Property will have been taken or made. No further action will be required to establish the Issuing Entity's ownership interest (subject to any lien created in favor of the Indenture Trustee for the benefit of the Holders pursuant to the Indenture and perfected pursuant to the Statute). All applicable filings have been made to the extent required by applicable law in any jurisdiction to perfect the back-up precautionary security interest granted by the Seller to the Issuing Entity.
- The Seller is not aware (after due inquiry) of any judgment or tax lien filings against the Issuing Entity or the Seller.
- Under the Statute, the State of Michigan may not take or permit any action that would impair the value of the Securitization Property, reduce or alter, except as allowed in connection with a True-Up Adjustment, or impair the Securitization Charges to be imposed, collected and remitted to us, until the principal, interest and premium, if any, and any other charges incurred and contracts to be performed, in connection with the Bonds have been paid and performed in full; and, under the Contract Clauses of the State of Michigan and United States Constitutions, the State of Michigan, including the MPSC, could not constitutionally take any action of a legislative character, including the repeal or amendment of the Statute or the Financing Order (including repeal or amendment by voter initiative as defined in the Michigan Constitution or by amendment of the Michigan Constitution), that would substantially impair the value of the Securitization Property or substantially reduce or alter, except as allowed in connection with a True-Up Adjustment, or substantially impair the Securitization Charges to be imposed, collected and remitted to us, unless this action is a reasonable exercise of the State of Michigan's sovereign powers and of a character reasonable and appropriate to the public purpose justifying this action and, under the Takings Clauses of the State of Michigan and United States Constitutions, the State of Michigan, including the MPSC, could not repeal or amend the Statute or the Financing Order (including repeal or amendment by voter initiative as defined in the Michigan Constitution or by amendment of the Michigan Constitution) or take any other action in contravention of its pledge described in the first clause of this bullet point, without paying just compensation to the Holders, as determined by a court of competent jurisdiction, if this action would constitute a permanent appropriation of a substantial property interest of the Holders in the Securitization Property and deprive the Holders of their reasonable expectations arising from their investment in the Bonds; however, there is no assurance that, even if a court were to award just compensation, it would be sufficient to pay the full amount of principal of and interest on the Bonds.
- On the date of issuance of the Bonds, based upon the information available to the Seller on such date, the assumptions used in calculating the Securitization Charges are reasonable and are made in good faith; however, notwithstanding the foregoing, Consumers Energy makes no representation or warranty, express or implied, that amounts actually collected arising from those Securitization Charges will in fact be sufficient to meet the payment obligations on the Bonds or that that assumptions used in calculating such Securitization Charges will in fact be realized.
- Upon the effectiveness of the Financing Order and the transfer of the Securitization Property to the Issuing Entity:

- the rights and interests of the Seller under the Financing Order, including the right to impose, collect and receive the Securitization Charges established in the Financing Order, become "securitization property" as defined in the Statute;
- the Securitization Property constitutes a present property right vested in the Issuing Entity;
- the Securitization Property includes the rights and interests of the Seller in the Financing Order and the Securitization Charges, the right to impose, collect and receive Securitization Charges, including the right to obtain True-Up Adjustments, and all revenue, collections, payments, money and proceeds arising out of the rights and interests created under the Financing Order;
- the owner of the Securitization Property is legally entitled to bill Securitization Charges for a period not greater than eight years after the date Securitization Charges are first billed and to collect and post payments in respect of the Securitization Charges in the aggregate sufficient to pay the interest on and principal of the Bonds and Ongoing Other Qualified Costs in accordance with the Indenture, to pay the fees and expenses of servicing the Bonds and Ongoing Other Qualified Costs, and to replenish the Capital Subaccount to the Required Capital Level until the Bonds are paid in full; and
- the Securitization Property is not subject to any lien other than the lien created by the Basic Documents or pursuant to the Statute.

- Under the laws of the State of Michigan (including the Statute) and the United States in effect on the issuance date:
  - the Financing Order pursuant to which the rights and interests of the Seller have been created, including the right to impose, collect and receive the Securitization Charges and the interest in and to the Securitization Property, has become final and non-appealable and is in full force and effect;
  - as of the issuance of the Bonds, those Bonds are entitled to the protection provided in the Statute and, accordingly, the Financing Order and Securitization Charges are not revocable by the MPSC;
  - as of the issuance of the Bonds, revisions to Consumers Energy's electric tariff to implement the Securitization Charges have been filed and are in full force and effect, such revisions are consistent with the Financing Order, and any electric tariff implemented consistent with the Financing Order is not subject to modification by the MPSC except for True-Up Adjustments made in accordance with the Statute;
  - the process by which the Financing Order was adopted and approved complies with all applicable laws, rules and regulations;
  - the Financing Order is not subject to appeal and is legally enforceable, and the process by which it was issued complied with all applicable laws, rules and regulations; and
  - no other approval, authorization, consent, order or other action of, or filing with, any Governmental Authority is required in connection with the creation of the Securitization Property, except those that have been obtained or made.
- As of the date of the issuance of the Bonds, the information describing the Seller under the captions "*Review of the Securitization Property*" and "*Consumers Energy Company — The Depositor, Sponsor, Seller and Initial Servicer*" in this prospectus will be true and correct in all material respects.
- After giving effect to the sale of the Securitization Property under the Sale Agreement, the Seller:
  - is solvent and expects to remain solvent;
  - is adequately capitalized to conduct its business and affairs considering its size and the nature of its business and intended purpose;
  - is not engaged and does not expect to engage in a business for which its remaining property represents unreasonably small capital;
  - reasonably believes that it will be able to pay its debts as they come due; and

- is able to pay its debts as they mature and does not intend to incur, or believes that it will not incur, indebtedness that it will not be able to repay at its maturity.

- There is no order by any court providing for the revocation, alteration, limitation or other impairment of the Statute, the Financing Order, the Securitization Property or the Securitization Charges or any rights arising under any of them or that seeks to enjoin the performance of any obligations under the Financing Order.

The Seller will not make any representation or warranty, express or implied, that Securitization Charges will actually be collected from Customers and will not make any representation that amounts collected will be sufficient to meet the obligations on the Bonds.

Certain of the representations and warranties that the Seller makes in the Sale Agreement involve conclusions of law. The Seller makes these representations and warranties to reflect the understanding of the basis upon which the Issuing Entity is issuing the Bonds and to reflect the agreement that, if this understanding proves to be incorrect or inaccurate, the Seller will be obligated to indemnify the Issuing Entity.

The representations and warranties shall survive the sale and transfer of Securitization Property to the Issuing Entity and the pledge thereof to the Indenture Trustee pursuant to the Indenture. The Seller will not be in breach of any representation or warranty as a result of any change in law occurring after the issuance date, including by means of any legislative enactment, constitutional amendment or voter initiative (if subsequently authorized) that renders any of the representations and warranties untrue.

Covenants of the Seller

In the Sale Agreement, the Seller will make the following covenants:

- Subject to the discussion under "*The Sale Agreement — Successors of the Seller*" in this prospectus, so long as any of the Bonds are outstanding, the Seller:

  - will keep in full force and effect its existence and remain in good standing under the laws of the jurisdiction of its organization;

  - will obtain and maintain its qualification to do business in each jurisdiction where such existence or qualification is or shall be necessary to protect the validity and enforceability of the Sale Agreement, the other Basic Documents to which the Seller is a party and each other instrument or agreement to which the Seller is a party necessary or appropriate to the proper administration of the Sale Agreement and the transactions contemplated thereby or to the extent necessary for the Seller to perform its obligations under the Sale Agreement or other applicable agreement; and

  - will continue to operate its electric distribution system to provide service to its Customers.

- Except for the conveyances under the Sale Agreement or any lien pursuant to the Indenture in favor of the Indenture Trustee for the benefit of the Holders and any lien that may be granted under the Basic Documents or created under the Statute, the Seller will not sell, pledge, assign or transfer, or grant, create, incur, assume or suffer to exist any lien on, any of the Securitization Property, or any interest therein, and the Seller shall defend the right, title and interest of the Issuing Entity and the Indenture Trustee, on behalf of the Holders, in, to and under the Securitization Property against all claims of third parties claiming through or under the Seller. Consumers Energy, in its capacity as the Seller, will not at any time assert any lien against, or with respect to, any of the Securitization Property.

- If the Seller receives any Securitization Charge collections or other payments in respect of the Securitization Charges or the proceeds thereof, other than in its capacity as the Servicer, the Seller agrees to pay to the Servicer, on behalf of the Issuing Entity, all payments received by it in respect thereof as soon as practicable after receipt thereof. Prior to such remittance to the Servicer by the Seller, the Seller agrees that such amounts are held by it in trust for the Issuing Entity and the Indenture Trustee.

- The Seller shall not become a party to any:
  - trade receivables purchase and sale arrangement or similar arrangement under which it sells all or any portion of its accounts receivables owing from Michigan electric distribution customers unless the Indenture Trustee, the Seller and the other parties to such additional arrangement shall have entered into the Intercreditor Agreement in connection therewith and the terms of the documentation evidencing such trade receivables purchase and sale arrangement or similar arrangement shall expressly exclude Securitization Property (including Securitization Charges) from any receivables or other assets pledged or sold under such arrangement; or
  - sale agreement selling to any other affiliate property consisting of charges similar to the Securitization Charges sold pursuant to the Sale Agreement, payable by Customers pursuant to the Statute or any similar law, unless the Seller and the other parties to such arrangement shall have entered into the Intercreditor Agreement in connection with any agreement or similar arrangement.
- The Seller shall notify the Issuing Entity and the Indenture Trustee promptly after becoming aware of any lien on any of the Securitization Property, other than the conveyances under the Sale Agreement and any lien pursuant to the Basic Documents, or any lien under the Statute created for the benefit of the Issuing Entity or the Holders, including the lien in favor of the Indenture Trustee for the benefit of the Holders.
- The Seller will comply with its organizational documents and all laws, treaties, rules, regulations and determinations of any Governmental Authority applicable to it, except to the extent that failure to so comply would not materially adversely affect the Issuing Entity's or the Indenture Trustee's interests in the Securitization Property or under any of the Basic Documents to which the Seller is party or the Seller's performance of its obligations under the Sale Agreement or under any of the other Basic Documents to which it is party.
- So long as any of the Bonds are outstanding:
  - the Seller will treat the Securitization Property as the Issuing Entity's property for all purposes other than for financial reporting, state or U.S. federal regulatory or tax purposes;
  - the Seller will treat the Bonds as debt for all purposes and specifically as debt of the Issuing Entity, other than financial reporting, state or U.S. federal regulatory or tax purposes, and solely for purposes of U.S. federal taxes and, to the extent consistent with applicable state, local and other tax law, for purposes of state, local or other taxes, the Seller agrees to treat the Bonds as indebtedness of the Seller (as the sole owner of the Issuing Entity) secured by the Collateral unless otherwise required by appropriate taxing authorities;
  - the Seller will disclose in its financial statements that the Issuing Entity and not the Seller is the owner of the Securitization Property and that the assets of the Issuing Entity are not available to pay creditors of the Seller or its affiliates (other than the Issuing Entity);
  - the Seller will not own or purchase any Bonds; and
  - the Seller will disclose the effects of all transactions between the Seller and the Issuing Entity in accordance with generally accepted accounting principles.
- So long as any of the Bonds are outstanding:
  - in all proceedings relating directly or indirectly to the Securitization Property, the Seller will affirmatively certify and confirm that it has sold all of its rights and interests in and to such property (other than for financial reporting, regulatory or tax purposes);
  - the Seller will not make any statement or reference in respect of the Securitization Property that is inconsistent with the ownership interest of the Issuing Entity (other than for financial accounting or tax purposes or as required for state or U.S. federal regulatory purposes);
  - the Seller will not take any action in respect of the Securitization Property except solely in its capacity as the Servicer thereof pursuant to the Servicing Agreement or as otherwise contemplated by the Basic Documents;

  - the Seller will not sell securitization property, or other similar property, under a separate financing order in connection with the issuance of securitization bonds or similarly authorized types of bonds unless the Rating Agency Condition shall have been satisfied; and
  - neither the Seller nor the Issuing Entity will make any election, file any tax return or take any other action inconsistent with the treatment of the Issuing Entity, for U.S. federal income tax purposes and, to the extent consistent with applicable state tax law, state income and franchise tax purposes, as a disregarded entity that is not separate from the Seller (or, if relevant, from another sole owner of the Issuing Entity).
- Upon the sale by the Seller of the Securitization Property to the Issuing Entity pursuant to the Sale Agreement:
  - to the fullest extent permitted by law, including applicable MPSC Regulations and the Statute, the Issuing Entity will have all of the rights originally held by the Seller with respect to the Securitization Property, including the right (subject to the terms of the Servicing Agreement) to exercise any and all rights and remedies to collect any amounts payable by any Customer in respect of the Securitization Property, notwithstanding any objection or direction to the contrary by the Seller (and the Seller agrees not to make any such objection or to take any such contrary action); and
  - any payment by any Customer directly to the Issuing Entity shall discharge such Customer's obligations, if any, in respect of the Securitization Property to the extent of such payment, notwithstanding any objection or direction to the contrary by the Seller.
- The Seller will execute and file such filings, including filings with the State of Michigan pursuant to the Statute, and cause to be executed and filed such filings, all in such manner and in such places as may be required by law to fully perfect and maintain the ownership interest of the Issuing Entity, and the back-up precautionary security interest of the Issuing Entity pursuant to the Sale Agreement, and the first priority security interest of the Indenture Trustee in the Securitization Property, including all filings required under the Statute and the applicable UCC relating to the transfer of the ownership of the rights and interest in the Securitization Property by the Seller to the Issuing Entity or the pledge of the Issuing Entity's interest in the Securitization Property to the Indenture Trustee.
- The Seller will deliver or cause to be delivered to the Issuing Entity and the Indenture Trustee file-stamped copies of, or filing receipts for, any document filed as provided above, as soon as available following such filing. The Seller shall institute any action or proceeding necessary to compel performance by the MPSC, the State of Michigan or any of their respective agents of any of their obligations or duties under the Statute or the Financing Order, and the Seller agrees to take such legal or administrative actions, including defending against or instituting and pursuing legal actions and appearing or testifying at hearings or similar proceedings, in each case, as may be reasonably necessary:
  - to seek to protect the Issuing Entity and the Holders from claims, state actions or other actions or proceedings of third parties that, if successfully pursued, would result in a breach of any representation or covenant set forth in the Sale Agreement; and
  - to seek to block or overturn any attempts to cause a repeal of, modification of or supplement to the Statute or the Financing Order, or the rights of Holders by legislative enactment or constitutional amendment that would be materially adverse to the Issuing Entity or the Holders or that would otherwise cause an impairment of the rights of the Issuing Entity or the Holders,

  and in each case the costs of any such actions or proceedings will be payable by the Seller.
- The Seller will not, prior to the date that is one year and one day after the termination of the Indenture and payment in full of the Bonds or any other amounts owed under the Indenture, petition or otherwise invoke or cause the Issuing Entity to invoke the process of any Governmental Authority for the purpose of commencing or sustaining an involuntary case against the Issuing Entity under any U.S. federal or state bankruptcy, insolvency or similar law, appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of the Issuing Entity or any substantial part of the property of the Issuing Entity, or ordering the winding up or liquidation of the affairs of the Issuing Entity.

- So long as any of the Bonds are outstanding, the Seller will, and will cause each of its subsidiaries to, pay all taxes, assessments and governmental charges imposed upon it or any of its properties or assets or with respect to any of its franchises, business, income or property before any penalty accrues thereon if the failure to pay any such taxes, assessments and governmental charges would, after any applicable grace periods, notices or other similar requirements, result in a lien on the Securitization Property; provided, that no such tax need be paid if the Seller or one of its affiliates is contesting the same in good faith by appropriate proceedings promptly instituted and diligently conducted and if the Seller or such affiliate has established appropriate reserves as shall be required in conformity with generally accepted accounting principles.
- Promptly after obtaining knowledge thereof, in the event of a breach in any material respect (without regard to any materiality qualifier contained in such representation, warranty or covenant) of any of the Seller's representations, warranties or covenants contained in the Sale Agreement, the Seller will promptly notify the Issuing Entity, the Indenture Trustee and the Rating Agencies of such breach.
- The Seller will use the proceeds of the sale of the Securitization Property in accordance with the Financing Order and the Statute.
- Upon the request of the Issuing Entity, the Seller will execute and deliver such further instruments and do such further acts as may be reasonably necessary to carry out the provisions and purposes of the Sale Agreement.

Indemnification

The Seller will indemnify, defend and hold harmless the Issuing Entity, the Indenture Trustee (for itself and for the benefit of the Holders), and any of their respective officers, directors, managers, employees, trustees and agents against:

- any and all amounts of principal of and interest on the Bonds not paid when due or when scheduled to be paid in accordance with their terms;
- any deposits required to be made by or to the Issuing Entity under the Basic Documents or the Financing Order that are not made when required; and
- any and all other liabilities, obligations, losses, claims, damages, payments, costs or expenses incurred of any kind whatsoever by any of these Persons, in each case, as a result of the Seller's breach of any of its representations, warranties or covenants contained in the Sale Agreement.

The Seller will indemnify the Issuing Entity and the Indenture Trustee (for itself and for the benefit of the Holders) and each of the Issuing Entity's and the Indenture Trustee's respective officers, directors, employees, trustees, managers, and agents for, and defend and hold harmless each such Person from and against, any and all taxes (other than taxes imposed on the Holders as a result of their ownership of Bonds) that may at any time be imposed on or asserted against any such Person as a result of:

- the sale of the Securitization Property to the Issuing Entity;
- the Issuing Entity's ownership and assignment of the Securitization Property;
- the issuance and sale by the Issuing Entity of the Bonds; or
- the other transactions contemplated in the Basic Documents,

including any franchise, sales, gross receipts, general corporation, tangible personal property, privilege or license taxes, but excluding any taxes imposed as a result of a failure of such Person to withhold or remit taxes with respect to payments on the Bonds.

In addition, the Seller will indemnify, defend and hold harmless each independent Manager of the Issuing Entity, and the Indenture Trustee and its officers, directors, employees, trustees, managers and agents against any and all liabilities, obligations, losses, claims, damages, payments, costs or expenses incurred by any of these parties as a result of the Seller's breach of any of its representations and warranties or covenants contained in the Sale Agreement.

The Seller will not be required to indemnify any Person otherwise indemnified under the Sale Agreement for any amount paid or payable by such Person in the settlement of any action, proceeding or investigation without the prior written consent of the Seller, which consent will not be unreasonably withheld.

The Seller will indemnify the Servicer (if the Servicer is not the Seller) for the costs of any action instituted by the Servicer pursuant to the Servicing Agreement that are not paid as operating expenses in accordance with the priorities under the Indenture.

The indemnification provided for in the Sale Agreement will survive any repeal of, modification of, or supplement to, or judicial invalidation of, the Statute or the Financing Order and will survive the resignation or removal of the Indenture Trustee, or the termination of the Sale Agreement and will rank in priority with other general, unsecured obligations of the Seller. The Seller will not indemnify any Person otherwise indemnified under the Sale Agreement for any changes in law after the issuance date, whether such changes in law are effected by means of any legislative enactment, any constitutional amendment or any final and non-appealable judicial decision.

Consumers Energy's indemnification obligations will rank equally in right of payment with other general unsecured obligations of Consumers Energy.

Successors of the Seller

Any Person:

- into which the Seller may be merged, converted or consolidated;
- that may result from any merger, conversion or consolidation to which the Seller will be a party;
- that may succeed to the electric distribution properties and assets of the Seller substantially as a whole;
- that results from the division of the Seller into two or more Persons; or
- that otherwise succeeds to all or substantially all of the electric distribution assets of the Seller,

and which Person in any of the foregoing cases executes an agreement of assumption to perform all of the obligations of the Seller under the Sale Agreement, will be the successor to the Seller under the Sale Agreement without further act on the part of any of the parties to the Sale Agreement so long as the conditions to assumption are met. These conditions include that:

- immediately after giving effect to such transaction, no representation, warranty or covenant made pursuant to the Sale Agreement will be breached and, if the Seller is the Servicer, no Servicer Default and no event that, after notice or lapse of time, or both, would become a Servicer Default will have occurred and be continuing;
- the Seller will have delivered to the Issuing Entity and the Indenture Trustee an officer's certificate and opinion of counsel from external counsel of the Seller stating that such consolidation, conversion, merger, division or succession and such agreement of assumption comply with the Sale Agreement and that all conditions precedent, if any, provided for in the Sale Agreement relating to such transaction have been complied with;
- the Seller will have delivered to the Issuing Entity, the Indenture Trustee and each Rating Agency an opinion of counsel from external counsel of the Seller either:
  - stating that, in the opinion of such counsel, all filings to be made by the Seller and the Issuing Entity, including any filings with the MPSC pursuant to the Statute and the applicable UCC, have been authorized, executed and filed that are necessary to fully maintain the respective interest of the Issuing Entity and the Indenture Trustee in all of the Securitization Property and reciting the details of such filings; or
  - stating that, in the opinion of such counsel, no such action will be necessary to maintain such interests;
- the Seller will have delivered to the Issuing Entity, the Indenture Trustee and the Rating Agencies an opinion of counsel from external tax counsel stating that, for U.S. federal income tax purposes,

such consolidation, conversion, merger, division or succession and such agreement of assumption will not result in a material adverse U.S. federal income tax consequence to the Issuing Entity or the Holders; and

- the Seller will have given the Rating Agencies prior written notice of such transaction.

Amendment

The Sale Agreement may be amended from time to time by a written amendment duly executed and delivered by each of the Seller and the Issuing Entity with ten Business Days' prior written notice given to the Rating Agencies, but without the consent of any of the Holders:

- to cure any ambiguity in, to correct or supplement, or to add, change or eliminate, any provisions in the Sale Agreement; provided, however, that the Issuing Entity and the Indenture Trustee shall receive an officer's certificate stating that such amendment shall not adversely affect in any material respect the interests of any Holder and that all conditions precedent to such amendment have been satisfied; or
- to conform the provisions of the Sale Agreement to the description of the Sale Agreement in this prospectus.

In addition, the Sale Agreement may be amended in writing by the Seller and the Issuing Entity with:

- the prior written consent of the Indenture Trustee;
- the satisfaction of the Rating Agency Condition; and
- if any amendment would adversely affect in any material respect the interest of any Holder, the consent of a majority of the Holders of each affected tranche.

In determining whether a majority of Holders have consented, Bonds owned by the Issuing Entity or any affiliate of the Issuing Entity (including the Seller) shall be disregarded, except that, in determining whether the Indenture Trustee shall be protected in relying upon any such consent, the Indenture Trustee shall only be required to disregard any Bonds it actually knows to be so owned. Promptly after the execution of any such amendment or consent, the Issuing Entity shall furnish copies of such amendment or consent to each of the Rating Agencies.

THE SERVICING AGREEMENT

The following summary describes the material terms and provisions of the Servicing Agreement pursuant to which the Servicer is undertaking to service the Securitization Property. The form of the Servicing Agreement is being filed as an exhibit to the registration statement of which this prospectus forms a part.

Servicing Procedures

The Servicer, as the Issuing Entity's agent, will manage, service and administer, and bill and collect payments arising from, the Securitization Property according to the terms of the Servicing Agreement. The Servicer's duties will include:

- management, servicing and administration of the Securitization Property;
- obtaining meter reads, calculating usage and billing, collecting and posting all payments in respect of the Securitization Property or Securitization Charges;
- responding to inquiries by Customers, the MPSC or any other Governmental Authority with respect to the Securitization Property or Securitization Charges;
- delivering bills to Customers;
- investigating and handling delinquencies (and furnishing reports with respect to such delinquencies to the Issuing Entity), processing and depositing collections and making periodic remittances;
- furnishing periodic reports to the Issuing Entity, the Indenture Trustee and the Rating Agencies;
- making all filings with the MPSC and taking such other action as may be necessary to perfect the Issuing Entity's ownership interests in and the Indenture Trustee's first priority lien on the Securitization Property;
- making all filings and taking such other action as may be necessary to perfect and maintain the perfection and priority of the Indenture Trustee's lien on all Collateral;
- selling as the agent for the Issuing Entity as its interests may appear defaulted or written off accounts in accordance with the Servicer's usual and customary practices;
- taking all necessary action in connection with True-Up Adjustments as set forth in the Servicing Agreement; and
- performing such other duties as may be specified under the Financing Order to be performed by it.

The Servicer will be required to notify the Issuing Entity, the Indenture Trustee and the Rating Agencies in writing if the Servicer becomes aware of any laws or MPSC Regulations promulgated after the execution of the Servicing Agreement that have a material adverse effect on the Servicer's ability to perform its duties under the Servicing Agreement. The Servicer is also authorized to execute and deliver documents and to make filings and participate in proceedings on behalf of the Issuing Entity.

In addition, upon the Issuing Entity's reasonable request or the reasonable request of the Indenture Trustee or any Rating Agency, the Servicer will provide to the Issuing Entity, the Indenture Trustee or any Rating Agency, as the case may be, any public financial information about the Servicer, or any material information about the Securitization Property that is reasonably available, as may be reasonably necessary and permitted by law to enable the Issuing Entity, the Indenture Trustee or the Rating Agencies to monitor the Servicer's performance, provided, however, that any such request by the Indenture Trustee will not create any obligation for the Indenture Trustee to monitor the performance of the Servicer. In addition, so long as any Bonds are outstanding, the Servicer will provide to the Issuing Entity and the Indenture Trustee, within a reasonable time after written request thereof, any information available to the Servicer or reasonably obtainable by it that is necessary to calculate the Securitization Charges applicable to each Securitization Rate Class. The Servicer will also prepare and deliver any reports required to be filed by the Issuing Entity with the SEC, as further described below, and will cause to be delivered required opinions of counsel to the effect that all filings, including with the MPSC, the State of Michigan and the Secretary of State of the

State of Delaware, necessary to perfect and maintain the interests of the Indenture Trustee in the Securitization Property have been made.

Servicing Standards and Covenants

The Servicing Agreement will require the Servicer to follow such customary and usual practices and procedures as it shall deem necessary or advisable in its servicing of all or any portion of the Securitization Property, which, in the Servicer's judgment, may include the taking of legal action, at the Issuing Entity's expense but subject to the priority of payments set forth in the Indenture.

The Servicer will not waive any late payment charge or other fee or charge relating to delinquent payments, if any, or waive, vary or modify any terms of payments of any amounts payable by a Customer, unless such waiver or action:

- would comply with the Servicer's policies and practices applicable to such duties that the Servicer follows with respect to comparable assets that it services for itself and, if applicable, others, as in effect from time to time in accordance with MPSC Regulations; and
- would comply in all material respects with applicable law.

In the Servicing Agreement, the Servicer will covenant that, in servicing the Securitization Property, it will:

- manage, service, administer, bill, collect and post collections in respect of the Securitization Property with reasonable care and in material compliance with each applicable requirement of law, including all applicable MPSC Regulations and guidelines, using the same degree of care and diligence that the Servicer exercises with respect to similar assets for its own account and, if applicable, for others;
- follow standards, policies and procedures in performing its duties as Servicer that are customary in the electric distribution industry;
- use all reasonable efforts, consistent with its customary servicing procedures, to enforce, and maintain rights in respect of, the Securitization Property and to bill, collect and post the Securitization Charges;
- comply with each requirement of law, including all applicable MPSC Regulations and guidelines, applicable to and binding on it relating to the Securitization Property;
- file all reports with the MPSC required by the Financing Order;
- file and maintain the effectiveness of UCC financing statements with respect to the Securitization Property transferred under the Sale Agreement;
- take such other action on behalf of the Issuing Entity to ensure that the lien of the Indenture Trustee on the Collateral for the Bonds remains perfected and of first priority; and
- identify the need for True-Up Adjustments and shall take all reasonable action to obtain and implement such True-Up Adjustments in accordance with the terms set forth in the Servicing Agreement.

The Servicer will be responsible for instituting any action or proceeding to compel performance by the State of Michigan or the MPSC of their respective obligations under the Statute, the Financing Order or any True-Up Adjustment. The Servicer is also responsible for instituting any action or proceeding as may be reasonably necessary to block or overturn any attempts, including by legislative enactment, voter initiative or constitutional amendment, to cause a repeal, modification or judicial invalidation of the Statute or the Financing Order that would be detrimental to the interest of the Holders or that would cause an impairment of the rights of the Issuing Entity or the Holders. The Servicing Agreement also designates the Servicer as the custodian of the Issuing Entity's records and documents. The Servicing Agreement requires the Servicer to indemnify the Issuing Entity, each independent Manager of the Issuing Entity, and the Indenture Trustee (for itself and for the benefit of Holders) for any grossly negligent act or omission relating to the Servicer's duties as custodian.

True-Up Mechanism

The Statute and the Financing Order mandate that the Securitization Charges on retail electric distribution customers be reviewed and adjusted by the MPSC at least annually, within 45 days of the anniversary date of the issuance of the Bonds, to correct any overcollections or undercollections of the preceding 12 months and to ensure the expected recovery during the succeeding annual period of amounts required for the timely payment of debt service and other required amounts and charges in connection with the Bonds. True-Up Adjustments may also be made by the Servicer semi-annually or more frequently at any time, without limits as to frequency, if the Servicer determines that a True-Up Adjustment is necessary to ensure the expected recovery during the succeeding annual period of amounts required for the timely payment of debt service and other required amounts and charges in connection with the Bonds. The Servicing Agreement will require Securitization Charges to be adjusted quarterly following the Scheduled Final Payment Date for each tranche of Bonds if there are any remaining amounts due. The Financing Order provides that semi-annual or more frequent true-ups may be implemented absent an MPSC order, unless contested. Any contest of any True-Up Adjustment shall be subject only to confirmation of the mathematical computations contained in the proposed True-Up Adjustment. In the Financing Order, the MPSC affirms that it will act pursuant to the Financing Order to ensure that expected Securitization Charges are sufficient to pay on a timely basis all scheduled principal of and interest on the Bonds and Ongoing Other Qualified Costs in connection with the Bonds. For more information on the True-Up Mechanism, please read "*The Statute and the Financing Order — True-Up Mechanism*" in this prospectus.

From time to time, until the retirement of the Bonds, the Servicer shall identify the need for annual True-Up Adjustments, semi-annual interim True-Up Adjustments and additional interim True-Up Adjustments as permitted pursuant to the Financing Order and shall take all reasonable action to obtain and implement such True-Up Adjustments for the Securitization Charges for the purpose of correcting any overcollections and undercollections and ensuring the expected recovery of amounts required for the timely payment of debt service and other required amounts and charges in connection with the Bonds.

In calculating each necessary True-Up Adjustment, the Servicer will update the data and assumptions underlying the calculation of the Securitization Charges, including projected electricity usage during the calculation period for each Securitization Rate Class and including the expected payments of principal and interest on the Bonds, estimated expenses and fees of the Issuing Entity during such period and the projected payment lag and write-offs. Each True-Up Adjustment will reflect any projected Customer delinquencies or write-offs and allowances for projected payment lags between the billing, collection and posting of Securitization Charges based upon the Servicer's most recent experience regarding collection of Securitization Charges. Each True-Up Adjustment will also take into account any reconciliation of overcollections or undercollections due to any reason.

There is no cap on the level of Securitization Charges that may be imposed on Customers as a result of the True-Up Mechanism to pay on a timely basis scheduled principal of and interest on the Bonds and Ongoing Other Qualified Costs.

The Financing Order states that the MPSC's role in the True-Up Mechanism is limited to a mathematical one, and the more expeditiously the True-Up Adjustment occurs, the better for all parties. In calculating any True-Up Adjustment, the Servicer will allocate payment responsibility among Securitization Rate Classes in accordance with the requirements of the Financing Order.

Remittances to Collection Account

The Servicer will remit Securitization Charge collections to the Indenture Trustee for deposit in the General Subaccount of the Collection Account. Each such remittance shall be remitted as soon as reasonably practicable, but in no event later than two Business Days following the Business Day on which payment is received from Customers; provided, however, that each such remittance in respect of the last Business Day of any month will be timely if remitted no later than three Business Days following such last Business Day. For a description of the allocation of the deposits, please read "*Security for the Bonds — How Funds in the Collection Account will be Allocated*" in this prospectus. Until Securitization Charge collections are remitted to the Collection Account, the Servicer will not segregate them from its general funds. Please read "*Risk Factors — Risks Associated with Potential Bankruptcy Proceeding*" in this prospectus.

The amount so remitted in respect of each Business Day will be equal to the aggregate Securitization Charge collections received from all Securitization Rate Classes in respect of that Business Day. The Securitization Charge collections received from a Securitization Rate Class in respect of any given Business Day will be calculated to be equal to the total collections received on that Business Day from that Securitization Rate Class multiplied by a ratio, the numerator of which is the total Securitization Charges billed to that Securitization Rate Class during the prior 21-Business-Day billing period, and the denominator of which is the total amounts billed to that Securitization Rate Class during that same 21-Business-Day billing period. In the event that the Servicer discovers that the amount remitted in respect of any given Business Day is less than the aggregate Securitization Charge collections received from all Securitization Rate Classes in respect of such Business Day due to a miscalculation or clerical error, it shall provide written notice of such error to the Indenture Trustee and, upon request, to the Issuing Entity and, within two Business Days of such discovery, remit such additional amount to the Indenture Trustee for deposit in the General Subaccount of the Collection Account as shall be required to correct such error.

In the event that the Servicer is unable to determine the Securitization Charge collections received on any Business Day (whether due to reasons of force majeure or any other reason), the Servicer shall make a good faith estimate of the amount of such Securitization Charge collections received on such Business Day and remit such estimated Securitization Charge collections to the General Subaccount of the Collection Account. The Servicer shall reconcile remittances of any such estimated Securitization Charge collections with the actual Securitization Charge collections within two Business Days of determination of the actual Securitization Charge collections. To the extent that the remittances of any such estimated Securitization Charge collections exceed the amount that should have been remitted based on actual Securitization Charge collections, the Servicer shall be entitled to withhold the excess amount from any subsequent remittances to the Indenture Trustee. To the extent that the remittances of any such estimated Securitization Charge collections are less than the amount that should have been remitted based on actual Securitization Charge collections, the Servicer shall remit the amount of the shortfall to the General Subaccount of the Collection Account within two Business Days of determination of such shortfall.

The Servicer is not obligated to make any payments on the Bonds. In the case of any shortfall, Consumers Energy will allocate that shortfall ratably based on the amount owed to Consumers Energy or other parties and the total amounts owed. As described above, the Servicer will not segregate the Securitization Charges from amounts relating to the Series 2014A Securitization Bonds. The Securitization Charges will be segregated only when the Servicer remits them to the Indenture Trustee. Although Consumers Energy is the servicer with respect to the Series 2014A Securitization Bonds and will be the Initial Servicer with respect to the Bonds, as more fully described under "*Consumers Energy Company — The Depositor, Sponsor, Seller and Initial Servicer*" in this prospectus, the Issuing Entity is a separate legal entity from Consumers 2014 Securitization Funding LLC, and the Bonds will be payable from collateral that is separate from the collateral securing the Series 2014A Securitization Bonds. Consumers 2014 Securitization Funding LLC will have no obligations under the Bonds, and the Issuing Entity will have no obligations under the Series 2014A Securitization Bonds.

The Financing Order provides that partial payments of bills by Customers should be allocated ratably among the securitization charges authorized pursuant to the financing order in respect of the Series 2014A Securitization Bonds, the Securitization Charges authorized by the Financing Order, and other billed amounts based on the ratio of each component of the bill to the total bill.

Servicing Compensation

The Servicer will be entitled to receive an annual servicing fee in an amount equal to:

- 0.05% of the aggregate initial principal amount of the Bonds for so long as Consumers Energy or an affiliate of Consumers Energy is the Servicer; or
- if Consumers Energy or any of its affiliates is not the Servicer, an amount agreed upon by the successor Servicer and the Indenture Trustee, provided, that the annual servicing fee shall not exceed 0.75% of the aggregate initial principal amount of all securitization bonds issued by the Issuing Entity.

The servicing fee owing shall be calculated based on the initial principal amount of the Bonds and shall be paid semi-annually, with half of the servicing fee being paid on each Payment Date, except for the amount of the servicing fee to be paid on the first Payment Date shall be calculated based on the number of days that the Servicing Agreement has been in effect. The Servicer also shall be entitled to retain as additional compensation:

- any interest earnings on Securitization Charge payments received by the Servicer and invested by the Servicer prior to remittance to the Collection Account; and
- all late payment charges, if any, collected from Customers.

In addition, the Servicer shall be entitled to be reimbursed by the Issuing Entity for filing fees and fees and expenses for attorneys, accountants, printing or other professional services retained by the Issuing Entity and paid for by the Servicer (or procured by the Servicer on behalf of the Issuing Entity and paid for by the Servicer) to meet the Issuing Entity's obligations under the Basic Documents. Except for the amounts payable pursuant to the prior sentence, the Servicer shall be required to pay all other costs and expenses incurred by the Servicer in performing its activities under the Servicing Agreement (but, for the avoidance of doubt, excluding any such costs and expenses incurred by Consumers Energy in its capacity as Administrator).

The Indenture Trustee will pay the servicing fee in semi-annual installments (together with any portion of the servicing fee that remains unpaid from the prior Payment Dates) to the extent of available funds in the Collection Account prior to the payment of any principal of and interest on the Bonds. See "*Security for the Bonds — How Funds in the Collection Account will be Allocated*" in this prospectus.

Servicer Representations and Warranties

In the Servicing Agreement, the Servicer will represent and warrant to the Issuing Entity, as of the issuance date of the Bonds, among other things, that:

- The Servicer is duly organized and validly existing and in good standing under the laws of the state of its organization, with the requisite corporate or other power and authority to own its properties and to conduct its business as such properties are currently owned and such business is presently conducted and to execute, deliver and carry out the terms of the Servicing Agreement and the Intercreditor Agreement, and had at all relevant times, and has, the requisite power, authority and legal right to service the Securitization Property and to hold the Securitization Property records as custodian.
- The Servicer is duly qualified to do business and is in good standing, and has obtained all necessary licenses and approvals, in all jurisdictions in which the ownership or lease of property or the conduct of its business (including the servicing of the Securitization Property as required by the Servicing Agreement and the Intercreditor Agreement) shall require such qualifications, licenses or approvals (except where the failure to so qualify would not be reasonably likely to have a material adverse effect on the Servicer's business, operations, assets, revenues or properties or to its servicing of the Securitization Property).
- The execution, delivery and performance of the Servicing Agreement and the Intercreditor Agreement have been duly authorized by all necessary action on the part of the Servicer under its organizational or governing documents and laws.
- Each of the Servicing Agreement and the Intercreditor Agreement constitutes a legal, valid and binding obligation of the Servicer enforceable against the Servicer in accordance with its respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and other laws relating to or affecting creditors' rights generally from time to time in effect and to general principles of equity (including concepts of materiality, reasonableness, good faith and fair dealing), regardless of whether considered in a proceeding in equity or at law.
- The consummation of the transactions contemplated by the Servicing Agreement and the Intercreditor Agreement and the fulfillment of the terms thereof will not:

- conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time) a default under, the organizational documents of the Servicer or any indenture or other agreement or instrument to which the Servicer is a party or by which it or any of its properties is bound;
- result in the creation or imposition of any lien upon any of its properties pursuant to the terms of any such indenture, agreement or other instrument (other than any lien that may be granted under the Basic Documents); or
- violate any existing law or any existing order, rule or regulation applicable to the Servicer of any Governmental Authority having jurisdiction over the Servicer or its properties.

- There are no proceedings pending and, to the Servicer's knowledge, there are no proceedings threatened and, to the Servicer's knowledge, there are no investigations pending or threatened, before any Governmental Authority having jurisdiction over the Servicer or its properties involving or relating to the Servicer or the Issuing Entity or, to the Servicer's knowledge, any other Person:
  - asserting the invalidity of the Servicing Agreement or the Intercreditor Agreement or any of the other Basic Documents;
  - seeking to prevent the issuance of the Bonds or the consummation of any of the transactions contemplated by the Servicing Agreement or any of the other Basic Documents;
  - seeking any determination or ruling that could reasonably be expected to materially and adversely affect the performance by the Servicer of its obligations under, or the validity or enforceability of, the Servicing Agreement, any of the other Basic Documents or the Bonds; or
  - seeking to adversely affect the U.S. federal income tax or state income or franchise tax classification of the Bonds as debt.
- No governmental approval, authorization, consent, order or other action of, or filing with, any Governmental Authority is required in connection with the execution and delivery by the Servicer of the Servicing Agreement or the Intercreditor Agreement, the performance by the Servicer of the transactions contemplated thereby or the fulfillment by the Servicer of the terms thereof, except those that have been obtained or made, those that the Servicer is required to make in the future pursuant to the Servicing Agreement or the Intercreditor Agreement and those that the Servicer may need to file in the future to continue the effectiveness of any financing statement filed under the UCC.
- Each report and certificate delivered in connection with any filing made to the MPSC by the Servicer on behalf of the Issuing Entity with respect to the Securitization Charges or True-Up Adjustments will constitute a representation and warranty by the Servicer that each such report or certificate, as the case may be, is true and correct in all material respects; provided, however, that, to the extent any such report or certificate is based in part upon or contains assumptions, forecasts or other predictions of future events, the representation and warranty of the Servicer with respect thereto will be limited to the representation and warranty that such assumptions, forecasts or other predictions of future events are reasonable based upon historical performance (and facts known to the Servicer on the date such report or certificate is delivered). The Servicer, the Indenture Trustee and the Issuing Entity are not responsible as a result of any action, decision, ruling or other determination made or not made, or any delay (other than any delay resulting from the Servicer's failure to make any filings with the MPSC required by the Servicing Agreement in a timely and correct manner or any breach by the Servicer of its duties under the Servicing Agreement that adversely affects the Securitization Property or the True-Up Adjustments), by the MPSC in any way related to the Securitization Property or in connection with any True-Up Adjustment, the subject of any such filings, any proposed True-Up Adjustment or the approval of any revised Securitization Charges and the scheduled adjustments thereto. Except to the extent that the Servicer otherwise is liable under the provisions of the Servicing Agreement, the Servicer shall have no liability whatsoever relating to the calculation of any revised Securitization Charges and the scheduled adjustments thereto, including as a result of any inaccuracy of any of the assumptions made in such calculations, so long as the Servicer has acted in good faith and has not acted in a grossly negligent manner in connection therewith, nor shall

the Servicer have any liability whatsoever as a result of any Person, including the Holders, not receiving any payment, amount or return anticipated or expected or in respect of any Bond generally.

In the event of:

- willful misconduct, bad faith or gross negligence by the Servicer in the performance of its duties or observance of its covenants under the Servicing Agreement or the Intercreditor Agreement or its reckless disregard of its obligations and duties under the Servicing Agreement or the Intercreditor Agreement;
- the Servicer's material breach of any of the representations and warranties summarized above that results in a Servicer Default under the Servicing Agreement or the Intercreditor Agreement; or
- any litigation or related expenses relating to the Servicer's status or obligations as Servicer (other than any proceeding the Servicer is required to institute under the Servicing Agreement),

the Servicer will indemnify, defend and hold harmless the Issuing Entity, the Indenture Trustee (for itself and for the benefit of the Holders), each independent Manager, and each of their respective trustees, officers, directors, employees and agents, against any costs, expenses, losses, claims, actual damages and liabilities incurred as a result of the foregoing events, except to the extent of such losses either resulting from the willful misconduct, bad faith or gross negligence of such Person seeking indemnification under the Servicing Agreement or resulting from a breach of a representation or warranty made by such Person seeking indemnification under the Servicing Agreement in any of the Basic Documents that gives rise to the Servicer's breach.

Statements by Servicer

On or before the last Servicer Business Day of each month, the Servicer shall prepare and deliver to the Issuing Entity, the Indenture Trustee and the Rating Agencies a written report, referred to in this prospectus as a Monthly Servicer's Certificate, setting forth certain information relating to Securitization Charge payments billed by the Servicer and remitted to the Indenture Trustee during the collection period preceding such date; provided, however, that, for any month in which the Servicer is required to deliver a Semi-Annual Servicer's Certificate, the Servicer shall prepare and deliver the Monthly Servicer's Certificate no later than the date of delivery of such Semi-Annual Servicer's Certificate.

Not later than five Servicer Business Days prior to each Payment Date or Special Payment Date, the Servicer shall deliver a written report, referred to in this prospectus as the Semi-Annual Servicer's Certificate, to the Issuing Entity, the Indenture Trustee and the Rating Agencies. The Semi-Annual Servicer's Certificate will detail the Securitization Charge collections for the current Payment Date and the balances in the Collection Account available to make the payments to be made as described under "*Security for the Bonds — How Funds in the Collection Account will Be Allocated*" in this prospectus.

Evidence as to Compliance

The Servicing Agreement will provide that the Servicer will deliver annually to the Issuing Entity, the Indenture Trustee and the Rating Agencies, on or before March 31 of each year, beginning March 31, 2024 or, if earlier, on the date on which the annual report relating to the Bonds is required to be filed with the SEC, a report on its assessment of compliance with specified servicing criteria as required by Item 1122(a) of Regulation AB, during the preceding 12 months ended December 31 (or preceding period since the issuance date of the Bonds in the case of the first statement), together with a certificate by an officer of the Servicer certifying the statements set forth therein.

The Servicing Agreement will also provide that a firm of independent registered public accountants will deliver annually to the Issuing Entity, the Indenture Trustee and the Rating Agencies on or before March 31 of each year, beginning March 31, 2024 or, if earlier, on the date on which the annual report relating to the Bonds is required to be filed with the SEC, an annual accountant's report, which will include any required attestation report that attests to and reports on the Servicer's assessment report described in the immediately preceding paragraph, to the effect that the accounting firm has performed agreed upon procedures in connection with the Servicer's compliance with its obligations under the Servicing Agreement

during the preceding 12 months, identifying the results of the procedures and including any exceptions noted. The report will also indicate that the accounting firm providing the report is independent of the Servicer within the meaning of the rules of The Public Company Accounting Oversight Board and shall include any attestation report required under Item 1122(b) of Regulation AB (or any successor or similar rule), as then in effect.

Copies of the above reports will be filed with the SEC. You may also obtain copies of the above statements and certificates by sending a written request addressed to the Indenture Trustee.

Matters Regarding the Servicer

The Servicing Agreement will provide that Consumers Energy may not resign from its obligations and duties as Servicer under the Servicing Agreement, except when either:

- Consumers Energy determines that the performance of its duties is no longer permissible under applicable law; or
- the Rating Agency Condition shall have been satisfied.

No resignation by Consumers Energy as Servicer will become effective until a successor Servicer has assumed Consumers Energy's servicing obligations and duties under the Servicing Agreement.

The Servicing Agreement will further provide that neither the Servicer nor any of its directors, officers, employees or agents will be liable to the Issuing Entity or any other Person for any action taken or for refraining from the taking of any action pursuant to the Servicing Agreement or for good faith errors in judgment; provided, however, that the Servicer or any such Person will still be liable for liabilities due to reason of willful misconduct, bad faith or gross negligence in the performance of duties or by reason of reckless disregard of obligations and duties under the Servicing Agreement or the Intercreditor Agreement.

In addition, the Servicing Agreement will provide that the Servicer is under no obligation to appear in, prosecute or defend any legal action relating to the Securitization Property that is not directly related to one of the Servicer's enumerated duties in the Servicing Agreement or related to its obligation to pay indemnification, and that in its reasonable opinion may cause it to incur any expense or liability; provided, however, that the Servicer may, in respect of any proceeding, undertake any action that is not specifically identified in the Servicing Agreement as a duty of the Servicer but that the Servicer reasonably determines is necessary or desirable in order to protect the rights and duties of the Issuing Entity or the Indenture Trustee under the Servicing Agreement and the interests of the Holders and Customers under the Servicing Agreement.

Under the circumstances specified in the Servicing Agreement, any Person:

- into which the Servicer may be merged, converted or consolidated and that is a permitted successor;
- that may result from any merger, conversion or consolidation to which the Servicer is a party and that is a permitted successor;
- that may succeed to the properties and assets of the Servicer or its obligations as Servicer substantially as a whole and that is a permitted successor;
- that results from the division of the Servicer into two or more Persons and that is a permitted successor; or
- that otherwise is a permitted successor,

which Person in any of the foregoing cases executes an agreement of assumption to perform all of the obligations of the Servicer under the Servicing Agreement, shall be the successor Servicer under the Servicing Agreement, without further act on the part of any of the parties to the Servicing Agreement so long as the conditions to assumption are met. Other than in these cases and in the case of a Servicer resignation as described above, the Servicing Agreement may not be assigned by the Servicer. These conditions include that:

- immediately after giving effect to such transaction, no representation or warranty made pursuant to the Servicing Agreement shall have been breached and no Servicer Default and no event that, after notice or lapse of time, or both, would become a Servicer Default shall have occurred and be continuing;

- the Servicer shall have delivered to the Issuing Entity and the Indenture Trustee an officer's certificate and an opinion of counsel from external counsel of the Servicer stating that such consolidation, conversion, merger, division or succession and such agreement of assumption complies with the Servicing Agreement and that all conditions precedent, if any, provided for in the Servicing Agreement relating to such transaction have been complied with;
- the Servicer shall have delivered to the Issuing Entity, the Indenture Trustee and the Rating Agencies an opinion of counsel from external counsel of the Servicer either:
  - stating that, in the opinion of such counsel, all filings to be made by the Servicer, including filings with the MPSC pursuant to the Statute and the applicable UCC, have been executed and filed and are in full force and effect that are necessary to fully perfect and maintain the interests of the Issuing Entity and the liens of the Indenture Trustee in the Securitization Property and reciting the details of such filings; or
  - stating that, in the opinion of such counsel, no such action shall be necessary to perfect and maintain such interests;
- any applicable requirements of the Intercreditor Agreement have been satisfied;
- the Servicer shall have delivered to the Issuing Entity, the Indenture Trustee and the Rating Agencies an opinion of counsel from independent tax counsel stating that, for U.S. federal income tax purposes, such consolidation, conversion, merger, division or succession and such agreement of assumption will not result in a material adverse U.S. federal income tax consequence to the Issuing Entity or the Holders; and
- the Servicer shall have given the Rating Agencies prior written notice of such transaction.

The Servicing Agreement will provide that the Servicer shall at all times take all steps necessary and appropriate to maintain its own separateness from the Issuing Entity.

Servicer Defaults

Each of the following will be a **Servicer Default** under the Servicing Agreement:

- any failure by the Servicer to remit to the Collection Account on behalf of the Issuing Entity any required remittance that shall continue unremedied for a period of five Business Days after written notice of such failure is received by the Servicer from the Issuing Entity or the Indenture Trustee or after discovery of such failure by a responsible officer of the Servicer;
- any failure on the part of the Servicer, or so long as the Servicer is Consumers Energy or an affiliate thereof, any failure on the part of Consumers Energy, as the case may be, duly to observe or to perform in any material respect any other covenants or agreements of the Servicer or Consumers Energy, as the case may be, set forth in the Servicing Agreement (other than as provided in the provision above or below) or any other Basic Document to which it is a party, which failure shall:
  - materially and adversely affect the rights of the Holders; and
  - continue unremedied for a period of 60 days after the date on which:
    - written notice of such failure, requiring the same to be remedied, shall have been given:
      - to the Servicer or Consumers Energy, as the case may be, by the Issuing Entity (with a copy to the Indenture Trustee); or
      - to the Servicer or Consumers Energy, as the case may be, by the Indenture Trustee; or
    - such failure is discovered by a responsible officer of the Servicer;
- any failure by the Servicer duly to perform its obligations in carrying out True-Up Adjustments as described in the Servicing Agreement in the time and manner set forth therein, which continues unremedied for a period of five Servicer Business Days;
- any representation or warranty made by the Servicer in the Servicing Agreement or any other Basic Document shall prove to have been incorrect in a material respect when made, which has a material

adverse effect on the Holders and which material adverse effect continues unremedied for a period of 60 days after the date on which:

- written notice thereof, requiring the same to be remedied, shall have been delivered to the Servicer (with a copy to the Indenture Trustee) by the Issuing Entity or the Indenture Trustee; or
- such failure is discovered by an officer of the Servicer; and

- events of bankruptcy, insolvency, receivership or liquidation of the Servicer.

Rights When Servicer Defaults

If a Servicer Default remains unremedied, either the Indenture Trustee may (if a responsible officer of the Indenture Trustee has received written notice of such Servicer Default), or shall, subject to the terms of the Intercreditor Agreement, upon the instruction of Holders evidencing a majority of the aggregate outstanding principal amount of the Bonds, by notice then given in writing to the Servicer (and to the Indenture Trustee if given by the Holders), terminate all the rights and obligations of the Servicer (other than the Servicer's indemnity obligations and the Servicer's obligations to continue performing its functions as Servicer until a successor is appointed) under the Servicing Agreement.

In the event of the Servicer's removal or resignation under the Servicing Agreement, the Indenture Trustee may, or, at the written direction and with the consent of the Holders of a majority of the aggregate outstanding principal amount of Bonds, shall, but subject to the provisions of the Intercreditor Agreement, appoint a successor Servicer with the Issuing Entity's prior written consent thereto (which consent shall not be unreasonably withheld), and the successor Servicer shall accept its appointment by a written assumption in form reasonably acceptable to the Issuing Entity and the Indenture Trustee and provide prompt written notice of such assumption to the Issuing Entity and the Rating Agencies. If, within 30 days after a termination notice has been delivered to the defaulting Servicer, a successor Servicer shall not have been appointed, the Indenture Trustee may, at the written direction of Holders evidencing a majority of the Bonds, petition the MPSC or a court of competent jurisdiction to appoint a successor Servicer under the Servicing Agreement. In order to qualify as a successor Servicer, the Person must be permitted to perform the duties of a Servicer under the MPSC Regulations, the Rating Agency Condition must be satisfied and the successor Servicer must enter into a servicing agreement having substantially the same provisions as the Servicing Agreement. The Indenture Trustee may make arrangements for compensation to be paid to the successor Servicer.

Upon appointment, a successor Servicer shall, subject to the terms and conditions of the Intercreditor Agreement, be the successor in all respects to the predecessor Servicer and shall be subject to all the responsibilities, duties and liabilities of the Servicer under the Servicing Agreement upon its assuming in writing the obligations of the Servicer thereunder. In addition, the successor Servicer shall be entitled to the servicing fee and all the rights granted to the predecessor Servicer by the terms and provisions of the Servicing Agreement.

In addition, when the Servicer defaults, the Holders and the Indenture Trustee (or any of their representatives) will be entitled to apply to a court of appropriate jurisdiction for an order of sequestration and payment of revenues arising from the Securitization Property.

If, however, a bankruptcy trustee or similar official has been appointed for the Servicer, and no Servicer Default other than an appointment of a bankruptcy trustee or similar official has occurred, the bankruptcy trustee or similar official may have the power to prevent the Indenture Trustee or the Holders from effecting a transfer of servicing responsibilities and duties.

Waiver of Past Defaults

Holders evidencing a majority of the aggregate outstanding principal amount of the Bonds, on behalf of all Holders, may direct the Indenture Trustee to waive in writing any default by the Servicer in the performance of its obligations under the Servicing Agreement and may waive the consequences of any default, except a default in making any required deposits to the Collection Account under the Servicing Agreement. The Servicing Agreement provides that no waiver will impair the Holder's rights relating to subsequent defaults.

Successor Servicer

If for any reason a third party assumes the role of the Servicer under the Servicing Agreement, the Servicing Agreement will require the predecessor Servicer to cooperate with the Issuing Entity, the Indenture Trustee and the successor Servicer in terminating the Servicer's rights and responsibilities under the Servicing Agreement, including the transfer to the successor Servicer for administration by it of all Securitization Property records and all cash amounts then held by the predecessor Servicer for remittance, or shall thereafter be received by it with respect to the Securitization Property or the Securitization Charges, and providing any requested information reasonably necessary to assist the transition of services under the Servicing Agreement and related documents to any successor Servicer. The Servicing Agreement will provide that, in case a successor Servicer is appointed as a result of a Servicer Default, all reasonable costs and expenses (including reasonable attorneys' fees and expenses) incurred in connection with transferring all relevant records to the successor Servicer and amending the Servicing Agreement and the Intercreditor Agreement to reflect such succession as Servicer shall be paid by the predecessor Servicer upon presentation of reasonable documentation of such costs and expenses. All other reasonable costs and expenses incurred in transferring servicing responsibilities to a successor Servicer shall be paid by the Issuing Entity.

Amendment

The Servicing Agreement may be amended in writing by the Servicer and the Issuing Entity with the prior written consent of the Indenture Trustee and the satisfaction of the Rating Agency Condition; provided, that any such amendment may not adversely affect the interest of any Holder in any material respect without the consent of the Holders of a majority of the aggregate outstanding principal amount of the Bonds. Promptly after the execution of any such amendment or consent, the Issuing Entity shall furnish copies of such amendment or consent to each of the Rating Agencies.

In addition, the Servicing Agreement may be amended from time to time by a written amendment duly executed and delivered by each of the Issuing Entity and the Servicer, with ten Business Days' prior written notice given to the Rating Agencies, but without the consent of any of the Holders:

- to cure any ambiguity in, to correct or supplement, or to add, change or eliminate, any provisions in the Servicing Agreement; provided, however, that the Issuing Entity and the Indenture Trustee shall receive an officer's certificate stating that such amendment shall not adversely affect in any material respect the interests of any Holder and that all conditions precedent to such amendment have been satisfied; or
- to conform the provisions of the Servicing Agreement to the description of the Servicing Agreement in this prospectus.

Promptly after the execution of any such amendment or consent, the Issuing Entity shall furnish copies of such amendment or consent to each of the Rating Agencies.

Intercreditor Agreement

Consumers Energy has sold certain securitization property (which is separate from the Securitization Property described in this prospectus) to Consumers 2014 Securitization Funding LLC. Under the Intercreditor Agreement to be entered into at the time of issuance of the Bonds among Consumers Energy, the Issuing Entity, the Indenture Trustee, Consumers 2014 Securitization Funding LLC and the trustee for the Series 2014A Securitization Bonds:

- the Securitization Charges are excluded from the securitization property of Consumers 2014 Securitization Funding LLC; and
- replacement of the Servicer would require the agreement of the Indenture Trustee and the trustee for the Series 2014A Securitization Bonds.

Consumers Energy will covenant in the Sale Agreement that, in the event it sells property similar to the Securitization Property to one or more entities other than the Issuing Entity in connection with a new issuance of bonds similar to the Bonds (or the Series 2014A Securitization Bonds) or similarly authorized types of bonds, then Consumers Energy will also enter into an intercreditor agreement with the Indenture

Trustee and the trustees for those other issuances, which would provide that the servicer for the Bonds and those other issuances must be one and the same entity. Please read "*Risk Factors — Risks Associated with Servicing — If the Issuing Entity needs to replace Consumers Energy as the Servicer, the Issuing Entity may experience difficulties finding and using a replacement Servicer*" in this prospectus.

MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

General

The following discussion describes the material United States federal income tax consequences to United States Holders and Non-United States Holders of the purchase, ownership, and disposition of the Bonds acquired in this offering and, insofar as it relates to matters of United States federal income tax law and regulations or legal conclusions with respect thereto, constitutes the opinion of Consumers Energy's tax counsel, Pillsbury Winthrop Shaw Pittman LLP. Except where noted, this discussion only applies to Bonds that are held as capital assets (within the meaning of the Code) by bondholders who purchase the Bonds upon their original issuance at their original issue price. This discussion does not address the tax considerations applicable to subsequent purchasers of Bonds. This discussion does not describe all of the material tax considerations that may be relevant to bondholders in light of their particular circumstances or to bondholders subject to special rules, such as certain financial institutions, regulated investment companies, real estate investment trusts, banks, insurance companies, tax-exempt entities, certain former citizens or residents of the United States, dealers in securities, traders in securities that elect to use a mark-to-market method of accounting, partnerships for United States federal income tax purposes and other pass-through entities (and Persons holding the Bonds through a partnership for United States federal income tax purposes or other pass-through entity), United States Holders whose functional currency is not the United States dollar, passive foreign investment companies, controlled foreign corporations, and corporations that accumulate earnings to avoid United States federal income tax, accrual method taxpayers subject to special tax accounting rules under Section 451(b) of the Code, or Persons holding the Bonds as part of a hedge, straddle, or other integrated transaction. In addition, this discussion does not address the effect of any state, local, foreign, or other tax laws or any United States Medicare contribution tax on net investment income, federal estate, gift, alternative minimum or foreign tax considerations. This discussion is based upon the Code, administrative pronouncements, judicial decisions, and final, temporary, and proposed Treasury regulations, all as in effect on the date hereof, and all of which are subject to change or differing interpretations, possibly with retroactive effect, so as to result in United States federal income tax consequences different from those discussed below.

As used in this prospectus, the term **United States Holder** means a beneficial owner of a Bond that is for United States federal income tax purposes:

- an individual citizen or resident of the United States;
- a corporation (or other entity taxable as a corporation) created or organized in or under the laws of the United States, any state thereof, or the District of Columbia;
- an estate the income of which is subject to United States federal income taxation regardless of its source; or
- a trust:
    - with respect to which a court within the United States is able to exercise primary supervision over its administration and one or more United States persons have the authority to control all of its substantial decisions; or
    - that was in existence on August 20, 1996 and has a valid election in effect under applicable Treasury regulations to be treated as a domestic trust.

The term Non-United States Holder means a beneficial owner of a Bond that is neither a United States Holder nor a partnership (or other pass-through entity).

If a partnership for United States federal income tax purposes holds Bonds, the tax treatment of such partnership and its partners will generally depend on the status of the partner and the activities of such partnership and its partners. If a bondholder is a partnership or a partner in such a partnership, such bondholder should consult with its own tax advisors regarding the United States federal income tax considerations of the purchase, ownership and disposition of Bonds.

THIS SUMMARY IS NOT INTENDED TO CONSTITUTE A COMPLETE DESCRIPTION OF ALL TAX CONSEQUENCES RELATING TO THE PURCHASE, OWNERSHIP, AND DISPOSITION

OF THE BONDS. PROSPECTIVE INVESTORS SHOULD CONSULT WITH THEIR TAX ADVISORS REGARDING THE PARTICULAR TAX CONSEQUENCES TO THEM (INCLUDING THE APPLICATION AND EFFECT OF ANY STATE, LOCAL, AND NON-UNITED STATES INCOME AND OTHER TAX LAWS) OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE BONDS.

Taxation of the Issuing Entity and Characterization of the Bonds

The Securitization Property will be treated as having been transferred to the Issuing Entity pursuant to, and the issuance of the Bonds will be treated as, a "qualifying securitization" within the meaning of Revenue Procedure 2005-62. Accordingly, for United States federal income tax purposes:

- the Issuing Entity will not be treated as a taxable entity separate and apart from Consumers Energy;
- the Bonds will be treated as debt of Consumers Energy; and
- Consumers Energy will not be treated as recognizing gross income upon the issuance of the Bonds.

By acquiring a Bond, a beneficial owner agrees to treat the Bond as debt of Consumers Energy for United States federal income tax purposes.

Tax Consequences to United States Holders

Interest

Consumers Energy and the Issuing Entity expect that the Bonds will not be issued with more than a *de minimis* amount of original issue discount for United States federal income tax purposes. Thus, stated interest on the Bonds generally will be taxable to a United States Holder as ordinary income at the time it is received or accrued in accordance with such United States Holder's regular method of accounting for United States federal income tax purposes. If, however, the issue price of the Bonds is less than their stated principal amount and the difference is equal to or more than a *de minimis* amount (as set forth in the applicable Treasury regulations), United States Holders will be required to include the difference in income as original issue discount as it accrues in accordance with the constant yield method (as set forth in the applicable Treasury regulations). The remainder of this discussion assumes that the Bonds will not be treated as issued with original issue discount.

Sale, Exchange, or Retirement of Bonds

On a sale, exchange, or retirement of a Bond, a United States Holder generally will recognize taxable gain or loss equal to the difference between the amount received (other than any amount received attributable to accrued but unpaid interest on the Bond not previously included in income, which will be taxable as ordinary income) and the United States Holder's adjusted tax basis in the Bond. A United States Holder's adjusted tax basis in a Bond is the United States Holder's cost, subject to adjustments such as reductions in basis for principal payments received previously. Gain or loss will generally be capital gain or loss, and will be long-term capital gain or loss if the Bond was held for more than one year at the time of disposition. Long-term capital gains of non-corporate United States Holders may be eligible for reduced rates of taxation. The deductibility of capital losses by both corporate and non-corporate United States Holders is subject to limitations.

Information Reporting and Backup Withholding

In general, information reporting requirements will apply to certain payments of principal and interest on the Bonds and to the proceeds from the sale of the Bonds unless the recipient is an exempt recipient. In addition, backup withholding at the current rate will apply to the payments if a United States Holder fails to provide its taxpayer identification number, a certificate of exempt status, or otherwise comply with the applicable requirements of the United States backup withholding rules.

Backup withholding is not an additional tax. Any amounts withheld from payments to a United States Holder under the backup withholding rules will be allowed as a credit against such United States Holder's

United States federal income tax liability and may entitle the United States Holder to a refund, provided that the required information is timely furnished to the IRS. United States Holders should consult their own tax advisors regarding the application of backup withholding in their particular situation, the availability of an exemption from backup withholding, and the procedure for obtaining such an exemption, if available.

Tax Consequences to Non-United States Holders

Interest

Subject to the discussion below concerning backup withholding and FATCA, a Non-United States Holder generally will not be subject to United States federal income and withholding tax on interest received in respect of the Bonds, provided that such interest is not effectively connected with such Non-United States Holder's conduct of a U.S. trade or business and such Non-United States Holder:

- does not own, actually or constructively, 10% or more of the total combined voting power of Consumers Energy;
- is not a controlled foreign corporation for United States federal income tax purposes directly or indirectly related to Consumers Energy within the meaning of section 881(c)(3)(C) of the Code;
- is not a bank whose receipt of interest on the Bonds is described in section 881(C)(3)(A) of the Code; and
- satisfies certain certification requirements under penalties of perjury (generally through the provision of a properly completed and executed IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable).

A Non-United States Holder that does not qualify for the exemption from withholding described above generally will be subject to United States federal withholding tax at a 30% rate on payments of interest on the Bonds unless:

- such interest is effectively connected with the conduct by the Non-United States Holder of a trade or business in the United States (and, if an applicable tax treaty so requires, is attributable to the conduct of a trade or business through a permanent establishment or fixed base in the United States) and the Non-United States Holder provides the applicable Paying Agent an IRS Form W-8ECI (or appropriate substitute form); or
- the Non-United States Holder provides a properly completed IRS Form W-8BEN or W-8BEN-E (or successor form), as applicable, establishing an exemption from or reduction in withholding under an applicable tax treaty.

If interest or other income received with respect to Bonds is effectively connected with a United States trade or business conducted by a Non-United States Holder (and, if an applicable tax treaty so requires, is attributable to the conduct of a trade or business through a permanent establishment or fixed base in the United States), the Non-United States Holder generally will be subject to United States federal income tax on such interest or other income on a net income basis at the regular graduated rates applicable to United States Holders. In addition, if the Non-United States Holder is a foreign corporation, it may be subject to a branch profits tax equal to 30% of its effectively connected earnings and profits for the taxable year, subject to certain adjustments, unless reduced or eliminated by an applicable tax treaty.

Sale, Exchange, or Retirement of Bonds

Subject to the backup withholding discussion below, a Non-United States Holder generally will not be subject to United States federal income or withholding tax on gain realized on the sale or exchange of the Bonds, unless:

- the Non-United States Holder is an individual who is present in the United States for 183 days or more during the taxable year and certain other conditions are met; or
- the gain is effectively connected with the conduct by the Non-United States Holder of a trade or business in the United States (and, if required by an applicable income tax treaty, is attributable to a permanent establishment or fixed base maintained by the Non-United States Holder in the United States).

Except to the extent that an applicable income tax treaty otherwise provides, generally a Non-United States Holder will be taxed on a net income basis at the same graduated rates applicable to United States Holders with respect to gain that is effectively connected with the Non-United States Holder's conduct of a United States trade or business. A corporate Non-United States Holder may also, under certain circumstances, be subject to the branch profits tax described above. A Non-United States Holder who is both an individual present in the United States for 183 days or more in the taxable year and meets certain other conditions will be subject to United States federal income tax at a rate of 30% (or at a reduced rate under an applicable income tax treaty) on the amount by which capital gains from United States sources (including gains from the sale or other disposition of the Bonds) exceed capital losses allocable to United States sources. To claim the benefit of an applicable income tax treaty, a Non-United States Holder may be required to file an income tax return and disclose its position under the United States Treasury regulations concerning treaty-based return positions.

Information Reporting and Backup Withholding

Generally, the amount of interest paid to a Non-United States Holder and the amount of tax, if any, withheld with respect to those payments must be reported to the IRS and to the Non-United States Holder. Copies of the information returns reporting such interest payments and any withholding may also be made available to the tax authorities in the country in which the Non-United States Holder resides under the provisions of an applicable tax treaty.

In general, a Non-United States Holder will not be subject to backup withholding with respect to payments of interest on the Bonds that are made to the Non-United States Holder, provided that the Non-United States Holder has provided certification that such Non-United States Holder is a Non-United States Holder, and the payor does not have actual knowledge or reason to know that the Non-United States Holder is a United States person as defined under Section 7701(a)(30) of the Code.

Information reporting and, depending on the circumstances, backup withholding will apply to the proceeds of a sale or other disposition (including a retirement or redemption) of Bonds within the United States or conducted through certain United States-related financial intermediaries unless the Non-United States Holder certifies to the payor under penalties of perjury that it is a Non-United States Holder and the payor does not have actual knowledge or reason to know that the Non-United States Holder is a United States person as defined under the Code, or the Non-United States Holder otherwise establishes an exemption.

Backup withholding is not an additional tax. Any amounts withheld from a payment to a Non-United States Holder under the backup withholding rules will be allowed as a credit against such Non-United States Holder's United States federal income tax liability and may entitle such Non-United States Holder to a refund, provided that the required information is timely furnished to the IRS. Non-United States Holders should consult their tax advisors regarding the application of information reporting and backup withholding in their particular situations, the availability of an exemption from backup withholding, and the procedure for obtaining such an exemption, if available.

The Foreign Account Tax Compliance Act (FATCA)

Pursuant to Sections 1471 through 1474 of the Code (commonly referred to as FATCA), Treasury regulations thereunder, and administrative guidance, issuers of certain debt instruments and their agents, as applicable, are required to withhold 30% of the amount of any interest with respect to such instruments paid to:

- a foreign financial institution (whether such foreign financial institution is the beneficial owner or an intermediary) unless such institution enters into an agreement with the United States government to collect and report to the United States government, on an annual basis, information with respect to its United States account holders and meets certain other specified requirements (or, in certain circumstances, complies with similar reporting requirements of the non-United States government in the jurisdiction in which it is organized or located under an intergovernmental agreement between such non-United States government and the United States government); or
- a non-financial foreign entity (whether such non-financial foreign entity is the beneficial owner or an intermediary) unless such entity certifies that it does not have any "substantial United States

owners" or provides certain information regarding the entity's "substantial United States owners" and such entity meets certain other specified requirements.

FATCA generally will apply to all payments otherwise subject to FATCA withholding without regard to whether the beneficial owner of the payment is a United States person or would otherwise be entitled to an exemption from imposition of withholding tax pursuant to an applicable tax treaty with the United States or United States domestic law.

Non-United States Holders should consult their own tax advisors regarding the possible implications of FATCA and whether FATCA may be relevant to such Non-United States Holder's acquisition, ownership, and disposition of the Bonds.

ERISA CONSIDERATIONS

This discussion is based on current provisions of ERISA and the Code, existing and currently proposed regulations under ERISA and the Code, the legislative history of ERISA and the Code, existing administrative rulings of the United States Department of Labor, and reported judicial decisions. No assurance can be given that legislative, judicial or administrative changes will not affect the accuracy of any statements herein with respect to transactions entered into or contemplated prior to the effective date of such changes. This discussion does not purport to deal with all aspects of ERISA or the Code or, to the extent not preempted, any state laws.

General

ERISA and Section 4975 of the Code impose certain requirements on plans subject to ERISA or Section 4975 of the Code. ERISA and the Code also impose certain requirements on fiduciaries of a plan in connection with the investment of the assets of the plan. For purposes of this discussion, "plans" refer to:

- "employee benefit plans" as defined in Section 3(3) of ERISA that are subject to Title I of ERISA, including profit sharing plans, pension plans and other arrangements that provide retirement income;
- "plans" as defined in Section 4975(e)(1) of the Code that are subject to Section 4975 of the Code, including individual retirement accounts and annuities and Keogh plans; and
- entities that are deemed to hold the plan assets of either of the foregoing by virtue of such employee benefit plans' or plans' investment in such entities, including collective investment funds and insurance company general or separate accounts.

A fiduciary of an investing plan is any Person who in connection with the assets of the plan:

- has discretionary authority or control over the management or disposition of assets; or
- provides investment advice for a fee.

Governmental plans, and certain church plans, referred to in this prospectus as non-ERISA plans, and the fiduciaries of those plans, are not subject to ERISA or to Section 4975 of the Code. Accordingly, assets of non-ERISA plans may be invested in the Bonds without regard to the ERISA considerations described below, subject to certain conditions set forth below. Investors acting on behalf of, or using assets of, such non-ERISA plans should consider other provisions of federal and state law that may apply to such non-ERISA plans, including, for example, any such governmental or church plan that is qualified and exempt from taxation under Sections 401(a) and 501(a) of the Code is subject to the prohibited transaction rules in Section 503 of the Code. In addition, non-ERISA plans may be subject to laws that are similar to the fiduciary responsibility provisions of Title I of ERISA or the prohibited transaction provisions of Title I of ERISA or Section 4975 of the Code, referred to in this prospectus as Similar Law.

ERISA imposes certain general fiduciary requirements on fiduciaries, including:

- investment prudence and diversification; and
- the investment of the assets of the plan in accordance with the documents governing the plan.

Section 406 of ERISA and Section 4975 of the Code also prohibit a broad range of transactions involving the assets of a plan and Persons who have certain specified relationships to the plan, referred to as "parties in interest" as defined under ERISA or "disqualified persons" as defined under Section 4975 of the Code, unless a statutory or administrative exemption is available. The types of transactions that are prohibited include:

- sales, exchanges or leases of property;
- loans or other extensions of credit; and
- the furnishing of goods or services.

Certain Persons that participate in a prohibited transaction may be subject to an excise tax under Section 4975 of the Code or a penalty imposed under Section 502(i) of ERISA, unless a statutory or administrative exemption is available. In addition, the Persons involved in the prohibited transaction may

have to cancel the transaction and pay an amount to the plan for any losses realized by the plan or profits realized by these Persons. In addition, individual retirement accounts involved in the prohibited transaction may be disqualified that would result in adverse tax consequences to the owner of the account.

Regulation of Assets Included in a Plan

A fiduciary's investment of the assets of a plan in the Bonds may cause the Issuing Entity's assets to be deemed assets of the plan. The United States Department of Labor has issued regulations at 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA (collectively, referred to in this prospectus as the Plan Asset Regulations) concerning what constitutes the assets of a plan for purposes of the fiduciary responsibility and prohibited transaction provisions of Title I of ERISA and the prohibited transaction provisions of Section 4975 of the Code. Under the Plan Asset Regulations, generally when a plan acquires an "equity interest" in an entity (such as the Issuing Entity) that is neither a "publicly offered security" (within the meaning of the Plan Asset Regulations) nor a security issued by an investment company registered under the 1940 Act, the plan's assets include both the equity interest and an undivided interest in each of the underlying assets of the entity, unless it is established that an exception set forth in the Plan Asset Regulations is applicable. There are two exceptions relevant here, which provide that a plan's assets generally will not include the underlying assets of the entity if less than 25% of the total value of each class of equity interests in the entity is held by "benefit plan investors" or the entity is an "operating company" (as each of those terms is defined in the Plan Asset Regulations). Under the Plan Asset Regulations, a "benefit plan investor" includes any "plan" as defined above. An equity interest is defined in the Plan Asset Regulations as an interest in an entity other than an instrument that is treated as indebtedness under applicable local law and that has no substantial equity features. Although there is no authority directly on point, it is anticipated that the Bonds will be treated as indebtedness under local law without any substantial equity features for purposes of the Plan Asset Regulations.

If the Bonds were deemed to be equity interests in the Issuing Entity and none of the exceptions contained in the Plan Asset Regulations were applicable, then the Issuing Entity's assets would be considered to be assets of any benefit plan investors that purchase the Bonds. The extent to which the Bonds are owned by benefit plan investors will not be monitored. If the Issuing Entity's assets were deemed to constitute "plan assets" pursuant to the Plan Asset Regulations, transactions the Issuing Entity might enter into, or may have entered into in the ordinary course of business, might constitute non-exempt prohibited transactions under ERISA or Section 4975 of the Code and/or applicable Similar Law.

In addition, and without regard to whether the Bonds are characterized as equity interests in the Issuing Entity for purposes of the Plan Asset Regulations, the acquisition, holding or disposition of the Bonds by or on behalf of, or using assets of, a plan could give rise to a prohibited transaction if the Issuing Entity or the Indenture Trustee, Consumers Energy, any other Servicer, CMS Energy, any underwriter or certain of their affiliates has, or acquires, a relationship to an investing plan. Each purchaser of the Bonds by, on behalf of, or using assets of, a plan will be deemed to have represented and warranted that its purchase, holding or disposition of the Bonds will not constitute or result in a non-exempt prohibited transaction under ERISA or Section 4975 of the Code and/or applicable Similar Law.

Before purchasing any Bonds by, on behalf of, or using assets of, a plan, you should consider, and consult with counsel as to, whether the purchase, holding and disposition of Bonds might result in prohibited transactions under ERISA or Section 4975 of the Code and/or applicable Similar Law and, if so, whether any prohibited transaction exemptions might apply to the purchase, holding and disposition of the Bonds.

Prohibited Transaction Exemptions

If you are a fiduciary of a plan or any Person proposing to acquire any Bonds by, on behalf of, or using assets of, a plan, you should consider the availability of one or more of the Department of Labor's prohibited transaction class exemptions, referred to in this prospectus as PTCEs, or one or more of the statutory exemptions provided by ERISA or Section 4975 of the Code, which include:

- PTCE 75-1, which exempts certain transactions between a plan and certain broker-dealers, reporting dealers and banks;
- PTCE 84-14, which exempts certain transactions effected on behalf of a plan by a "qualified professional asset manager";

- PTCE 90-1, which exempts certain transactions between insurance company separate accounts and parties in interest;
- PTCE 91-38, which exempts certain transactions between bank collective investment funds and parties in interest;
- PTCE 95-60, which exempts certain transactions between insurance company general accounts and parties in interest;
- PTCE 96-23, which exempts certain transactions effected on behalf of a plan by an "in-house asset manager"; and
- the statutory service provider exemption provided by Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code, which exempts certain transactions between plans and parties in interest that are not fiduciaries or any of their affiliates with respect to the transaction.

The Issuing Entity cannot provide any assurance that any of these class exemptions or statutory exemptions described above or any other administrative, statutory or individual prohibited transaction exemption will apply with respect to any particular investment in the Bonds by, on behalf of, or using assets of, a plan or, even if it were deemed to apply, that any exemption would apply to all transactions that may occur in connection with the investment. In particular, it should be noted that, Bonds may not be purchased with assets of any plan if the Issuing Entity or the Indenture Trustee, Consumers Energy, any other Servicer, CMS Energy, any underwriter or any of their affiliates:

- has investment discretion over the assets of the plan used to purchase the Bonds;
- has authority or responsibility to give, or regularly gives, investment advice regarding the assets of the plan used to purchase the Bonds, for a fee and under an agreement or understanding that the advice will serve as a primary basis for investment decisions for the assets of the plan, and will be based on the particular investment needs of the plan; or
- is an employer maintaining or contributing to the plan,

unless one or more applicable prohibited transaction exemptions are available to cover such purchase, holding and disposition of any Bonds or the transaction is not otherwise prohibited.

Consultation with Counsel

The sale of the Bonds to a plan or a non-ERISA plan subject to Similar Law will not constitute a representation by the Issuing Entity or the Indenture Trustee, Consumers Energy, any other Servicer, CMS Energy, any underwriter or any of their affiliates that such an investment meets all relevant legal requirements relating to investments by such plans or non-ERISA plans generally or by any particular plan or non-ERISA plan, or that such an investment is appropriate for such plans or non-ERISA plans generally or for a particular plan or non-ERISA plan.

If you are a fiduciary or any other Person that proposes to purchase the Bonds on behalf of or with assets of a plan or a non-ERISA plan subject to Similar Law, you should consider your general fiduciary obligations under ERISA or the Code or the application of Similar Law and you should consult with your legal counsel as to the potential applicability of ERISA, the Code or Similar Law to any investment and, in the case of a plan, the availability of any prohibited transaction exemption in connection with any investment.

Deemed Representation

Based on the foregoing, by its acquisition and holding of a Bond, each purchaser of the Bonds will be deemed to represent and warrant that either:

- it is not and is not acting on behalf of, or using assets of, a plan or a non-ERISA plan subject to Similar Law; or
- the purchase, holding and disposition of such Bond by such purchaser will not constitute or result in a non-exempt prohibited transaction under ERISA or the Code or, in the case of a non-ERISA plan subject to Similar Law, will not constitute or result in a violation of Similar Law.

HOW A BANKRUPTCY MAY AFFECT YOUR INVESTMENT

Challenge to True Sale Treatment

Consumers Energy will represent and warrant that the transfer of the Securitization Property in accordance with the Sale Agreement constitutes a true and valid sale and assignment of the Securitization Property by Consumers Energy to the Issuing Entity. It will be a condition to the issuance of the Bonds that Consumers Energy will take the appropriate actions under the Statute to perfect this sale. The Statute provides that a transfer of Securitization Property by an electric utility to an assignee that the parties have in the governing documentation expressly stated to be a sale or other absolute transfer, in a transaction approved in a financing order, signifies that the transaction is a true sale and is not a secured transaction and that title, legal and equitable, has passed to the entity to which the Securitization Property is transferred. The Issuing Entity and Consumers Energy will each treat such a transaction as a sale under applicable law. However, the Issuing Entity expects that Bonds will be reflected as debt on Consumers Energy's consolidated financial statements; provided, that appropriate notation will be made on any such consolidated financial statements to indicate the separateness of Consumers Energy from the Issuing Entity and to indicate that the Issuing Entity's assets and credit are not available to satisfy the debts and other obligations of Consumers Energy or any other entity, and that the Issuing Entity's assets and liabilities will also be listed on the Issuing Entity's own separate balance sheet. In addition, the Issuing Entity anticipates that the Bonds will be treated as debt of Consumers Energy for U.S. federal income tax purposes. Please read "*Material United States Federal Income Tax Consequences*" in this prospectus.

In the event of a bankruptcy of a party to the Sale Agreement, if a party in interest in the bankruptcy were to take the position that the sale of the Securitization Property to the Issuing Entity pursuant to that Sale Agreement was a financing transaction and not a true sale under applicable creditors' rights principles, there can be no assurance that a court would not adopt such a position. Even if a court did not ultimately recharacterize the transaction as a financing transaction, the mere commencement of a bankruptcy of Consumers Energy and the attendant possible uncertainty surrounding the treatment of the sale of the Securitization Property could result in delays in payments on the Bonds and adversely affect the value of the Bonds.

In that regard, we note that the bankruptcy court in *In re LTV Steel Company, Inc.*, 274 B.R. 278 (Bankr. N. D. Oh. 2001), issued an interim order that observed that a debtor, LTV Steel Company, Inc., which had previously entered into securitization arrangements with respect both to its inventory and its accounts receivable, may have "at least some equitable interest in the inventory and receivables, and that this interest is property of the Debtor's estate . . . sufficient to support the entry of" an interim order permitting the debtor to use proceeds of the property sold in the securitization. 274 B.R. at 285. The court based its decision in large part on its view of the equities of the case.

LTV Steel Company, Inc. and the securitization investors subsequently settled their dispute over the terms of the interim order, and the bankruptcy court entered a final order in which the parties admitted and the court found that the prepetition transactions constituted true sales. The court did not otherwise overrule its earlier ruling. The *LTV Steel Company, Inc.* memorandum opinion serves as an example of the pervasive equity powers of bankruptcy courts and the importance that such courts may ascribe to the goal of reorganization, particularly where assets sold are integral to the ongoing operations of the debtor's business.

Even if creditors did not challenge the sale of the Securitization Property as a true sale, a bankruptcy filing by Consumers Energy could trigger a bankruptcy filing by the Issuing Entity with similar negative consequences for Holders. In the bankruptcy case, *In re General Growth Properties, Inc.*, General Growth Properties, Inc. filed for bankruptcy together with many of its direct and indirect subsidiaries, including many subsidiaries that were organized as special purpose vehicles. The bankruptcy court upheld the validity of the filings of these special purpose subsidiaries and allowed the subsidiaries, over the objections of their creditors, to use the lenders' cash collateral to make loans to the parent for general corporate purposes. The creditors received adequate protection in the form of current interest payments and replacement liens to mitigate any diminution in value resulting from the use of the cash collateral, but the opinion serves as a reminder that bankruptcy courts may subordinate legal rights of creditors to the interests of helping debtors reorganize.

The Issuing Entity and Consumers Energy have attempted to mitigate the impact of a possible recharacterization of a sale of Securitization Property as a financing transaction under applicable creditors' rights principles. The Sale Agreement will provide that if the sale of the Securitization Property is recharacterized by a court as a financing transaction and not a true sale, the transfer by Consumers Energy will be deemed to have granted to the Issuing Entity on behalf of the Issuing Entity and on behalf of the Indenture Trustee a first priority security interest in all of Consumers Energy's right, title and interest in, to and under the Securitization Property and all proceeds thereof. In addition, the Sale Agreement will require the filing of a financing statement describing the Securitization Property and the proceeds thereof as collateral in accordance with the Statute. As a result of the filing of a financing statement, the Issuing Entity would, in the event of a recharacterization, be a secured creditor of Consumers Energy entitled to recover against the Collateral or its value. This does not, however, eliminate the risk of payment delays or reductions and other adverse effects caused by a bankruptcy of Consumers Energy or its affiliates, as discussed under "*Risk Factors — Risks Associated with Potential Bankruptcy Proceedings*" in this prospectus. Further, if, for any reason, a proper financing statement is not filed under the Statute or the Issuing Entity fails to otherwise perfect its interest in the Securitization Property, and the transfer is thereafter deemed not to constitute a true sale, the Issuing Entity would be an unsecured creditor of Consumers Energy.

The Statute provides that Securitization Property shall constitute an account as that term is defined under the Michigan UCC. The Statute further provides that, notwithstanding the provisions of the Michigan UCC, the law of the State of Michigan shall govern the perfection and the effect of perfection and priority of any security interest in the Securitization Property, and that the Statute shall control in any conflict between the Statute and any other law of the State of Michigan regarding the attachment and perfection and the effect of perfection and priority of any security interest in Securitization Property. In addition, under the Statute, a valid and enforceable lien and security interest in Securitization Property may be created only by a financing order and the execution and delivery of a security agreement with a Financing Party in connection with the issuance of the Bonds. The Statute provides that the lien and security interest shall attach automatically from the time that value is received for the Bonds and shall be a continuously perfected lien and security interest in the Securitization Property, and all proceeds of the property, whether accrued or not, shall have priority in the order of filing when a financing statement has been filed with respect to the security interest in accordance with the Michigan UCC and take precedence over any subsequent judicial and other lien creditor. The Statute further provides that, in addition to the rights and remedies provided by the Statute, all rights and remedies with respect to a security interest provided by the Michigan UCC shall apply to the Securitization Property. The Statute provides that the transfer of an interest in Securitization Property to an assignee shall be perfected against all third parties, including subsequent judicial and other lien creditors, when a financing statement has been filed with respect to the transfer in accordance with the Michigan UCC. The Statute provides that the priority of a lien and security interest under the Statute is not impaired by any later modification of the Financing Order or by the commingling of funds arising from Securitization Charges with other funds, and any other security interest that may apply to those funds shall be terminated when they are transferred to a segregated account for the assignee or a Financing Party. In addition, the Statute provides that if Securitization Property has been transferred to an assignee, any proceeds of that property shall be held in trust for the assignee. None of this, however, mitigates the risk of payment delays and other adverse effects caused by a Consumers Energy bankruptcy. Further, if, for any reason, a properly filed financing statement related to the Securitization Property is not filed with the Michigan Department of State or the Issuing Entity fails to otherwise perfect its interest in the Securitization Property sold pursuant to the Sale Agreement, and the transfer is thereafter deemed not to constitute a true sale, the Issuing Entity would be an unsecured creditor of Consumers Energy.

Consolidation of the Issuing Entity and Consumers Energy

If Consumers Energy were to become a debtor in a bankruptcy case, a party in interest might attempt to substantively consolidate the assets and liabilities of the Issuing Entity with those of Consumers Energy. The Issuing Entity and Consumers Energy have taken steps to attempt to minimize this risk. Please read "*Description of the Issuing Entity*" in this prospectus. However, no assurance can be given that if Consumers Energy were to become a debtor in a bankruptcy case, a court would not substantively consolidate the assets and liabilities of the Issuing Entity with those of Consumers Energy. Substantive consolidation would result in payment of the claims of the beneficial owners of the Bonds to be subject to substantial delay and to adjustment in timing and amount under a plan of reorganization in the bankruptcy case.

Status of Securitization Property as Present Property

Consumers Energy will represent in the Sale Agreement, and the Statute provides, that the Securitization Property sold pursuant to such Sale Agreement constitutes a present property right on the date that it is first transferred to the Issuing Entity in connection with the issuance of the Bonds. Nevertheless, no assurance can be given that, in the event of a bankruptcy of Consumers Energy, a court would not rule that the applicable Securitization Property comes into existence only as Customers use electricity.

If a court were to accept the argument that the applicable Securitization Property comes into existence only as Customers use electricity, no assurance can be given that a security interest in favor of the Holders would attach to the Securitization Charges in respect of electricity consumed after the commencement of the bankruptcy case or that the Securitization Property relating to such Securitization Charges has been sold to the Issuing Entity. If it were determined that such Securitization Property had not been sold to the Issuing Entity, then the Issuing Entity would have an unsecured claim against Consumers Energy and the security interest in favor of the Holders did not attach to the Securitization Charges in respect of electricity consumed after the commencement of the bankruptcy case. In addition, whether or not a court determined that the applicable Securitization Property had been sold to the Issuing Entity pursuant to a Sale Agreement, no assurances can be given that a court would not rule that any Securitization Charges relating to electricity consumed after the commencement of the bankruptcy could not be transferred to the Issuing Entity or the Indenture Trustee and/or that the security interest in favor of the Holders did not attach to such Securitization Charges. In either case, there would be delays and/or reductions in payments on the Bonds.

In addition, in the event of a bankruptcy of Consumers Energy, a party in interest in the bankruptcy could assert that the Issuing Entity should pay, or that the Issuing Entity should be charged for, a portion of Consumers Energy's costs associated with the distribution of the electricity, usage of which gave rise to the Securitization Charge receipts used to make payments on the Bonds.

Regardless of whether Consumers Energy is the debtor in a bankruptcy case, if a court were to accept the argument that Securitization Property sold pursuant to the Sale Agreement comes into existence only as Customers use electricity, a tax or government lien or other nonconsensual lien on property of Consumers Energy arising before that Securitization Property came into existence could have priority over the Issuing Entity's interest in that Securitization Property. Adjustments to the Securitization Charges may be available to mitigate this exposure, although there may be delays in implementing these adjustments.

Estimation of Claims; Challenges to Indemnity Claims

If Consumers Energy were to become a debtor in a bankruptcy case, to the extent the Issuing Entity does not have secured claims as discussed above, claims, including indemnity claims, by the Issuing Entity or the Indenture Trustee against Consumers Energy, as Seller, under the Sale Agreement and the other documents executed in connection therewith would be unsecured claims and would be subject to being discharged in the bankruptcy case. In addition, a party in interest in the bankruptcy may request that the bankruptcy court estimate any contingent claims that the Issuing Entity or the Indenture Trustee have against Consumers Energy. That party may then take the position that these claims should be estimated at zero or at a low amount because the contingency giving rise to these claims is unlikely to occur. If a court were to hold that the indemnity provisions were unenforceable, the Issuing Entity or the Indenture Trustee, as applicable, would be left with a claim for actual damages against Consumers Energy based on breach of contract principles. The actual amount of these damages would be subject to estimation and/or calculation by the court.

No assurances can be given as to the result of any of the above-described actions or claims. Furthermore, no assurance can be given as to what percentage of their claims, if any, unsecured creditors would receive in any bankruptcy proceeding involving Consumers Energy.

Enforcement of Rights by the Indenture Trustee

Upon an Event of Default under the Indenture, the Indenture Trustee may seek to enforce the security interest in the Securitization Property sold pursuant to the Sale Agreement in accordance with the terms of the Indenture. In this capacity, the Indenture Trustee is permitted to request a court of competent jurisdiction

to order sequestration and payment to the Holders of all revenues arising from the Securitization Property. There can be no assurance, however, that a court would issue this order after a bankruptcy filing by Consumers Energy or the Issuing Entity given the automatic stay provisions of Section 362 of the Bankruptcy Code. In that event, the Indenture Trustee may under the Indenture seek an order from the bankruptcy court lifting the automatic stay in order to allow a court to enter the sequestration and payment order. There can be no assurance that the bankruptcy court would lift the stay and/or the court would issue the sequestration and payment order.

Bankruptcy of the Servicer

The Servicer is entitled to commingle the Securitization Charges that it receives with its own funds until each date on which the Servicer is required to remit funds to the Indenture Trustee as specified in the Servicing Agreement (that is, no later than the second Servicer Business Day of receipt). The Statute provides that the priority of a lien and security interest created under the Statute is not impaired by the commingling of funds arising from Securitization Charges with other funds. In the event of a bankruptcy of the Servicer, a party in interest in the bankruptcy might assert, and a court might rule, that the Securitization Charges commingled by the Servicer with its own funds and held by the Servicer, prior to and as of the date of bankruptcy were property of the Servicer as of that date, and are therefore property of the Servicer's bankruptcy estate, rather than property of the Issuing Entity. If the court so rules, then the court would likely rule that the Indenture Trustee has only a general unsecured claim against the Servicer for the amount of commingled Securitization Charges held as of that date and could not recover the commingled Securitization Charges held as of the date of the bankruptcy.

Even if the court were to rule on the ownership of the commingled Securitization Charges in favor of the Issuing Entity, the automatic stay arising upon the Servicer's bankruptcy could delay the Indenture Trustee from receiving the commingled Securitization Charges held by the Servicer as of the date of the bankruptcy until the court grants relief from the stay. A court ruling on any request for relief from the stay could be delayed pending the court's resolution of whether the commingled Securitization Charges are the Issuing Entity's property or are property of the Servicer, including resolution of any tracing of proceeds issues.

The Servicing Agreement will provide that the Indenture Trustee, as assignee of the Issuing Entity, together with the other Persons specified therein, may appoint a successor Servicer that satisfies the Rating Agency Condition. The Servicing Agreement will also provide that the Indenture Trustee, together with the other Persons specified therein, may petition the MPSC or a court of competent jurisdiction to appoint a successor Servicer that meets this criterion. However, the automatic stay in effect during a Servicer bankruptcy might delay or prevent a successor Servicer's replacement of the Servicer. Even if a successor Servicer may be appointed and may replace the Servicer, a successor Servicer may be difficult to obtain and may not be capable of performing all of the duties that Consumers Energy as Servicer was capable of performing. Furthermore, should the Servicer enter into bankruptcy, it may be permitted to stop acting as Servicer.

USE OF PROCEEDS

The net proceeds of this offering are estimated to be approximately $638,670,349, after deducting underwriting discounts and commissions and initial Qualified Costs. The Issuing Entity will use the net proceeds from the sale of the Bonds to purchase the Securitization Property from the Seller. Consumers Energy, the Seller, will apply the proceeds of the sale of the Securitization Property in accordance with the Financing Order, as required by the Statute. The Financing Order approves proceeds to be applied for the following uses:

- to pay initial Qualified Costs incurred in connection with the issuance of the Bonds;
- to reimburse Consumers Energy for Qualified Costs, all of which shall have been incurred at the time of issuance of the Bonds; and
- to refinance or retire a portion of debt or equity of Consumers Energy in accordance with the Statute.

PLAN OF DISTRIBUTION

Subject to the terms and conditions in the Underwriting Agreement among the Issuing Entity, Consumers Energy and the underwriters, for whom Citigroup Global Markets Inc. is acting as representative, the Issuing Entity has agreed to sell to the underwriters, and the underwriters have severally agreed to purchase, the principal amount of the Bonds listed opposite each underwriter's name below:

Underwriter	Tranche A-1	Tranche A-2
Citigroup Global Markets Inc.	$162,500,000	$257,400,000
RBC Capital Markets, LLC	$ 31,250,000	$ 49,500,000
SMBC Nikko Securities America, Inc.	$ 31,250,000	$ 49,500,000
Drexel Hamilton, LLC	$ 12,500,000	$ 19,800,000
Samuel A. Ramirez & Company, Inc.	$ 12,500,000	$ 19,800,000
Total:	**$250,000,000**	**$396,000,000**

Under the terms of the Underwriting Agreement, the underwriters are obligated to take and pay for all of the Bonds offered through this prospectus, if any are taken. If an underwriter defaults, the Underwriting Agreement provides that the purchase commitments of the non-defaulting underwriters may be increased or the Underwriting Agreement may be terminated.

The Underwriters' Sales Price for the Bonds

The Bonds sold by the underwriters to the public will be initially offered at the prices to the public set forth on the cover of this prospectus. The underwriters propose initially to offer the Bonds to dealers at such prices, less a selling concession not to exceed the percentage listed below for each tranche. The underwriters may allow, and dealers may reallow, a discount not to exceed the percentage listed below for each tranche.

	Selling Concession	Reallowance Discount
Tranche A-1	0.24%	0.16%
Tranche A-2	0.24%	0.16%

After the initial public offering, the public offering prices, selling concessions and reallowance discounts may change.

No Assurance as to Resale Price or Resale Liquidity for the Bonds

The Bonds are a new issue of securities with no established trading market. They will not be listed on any securities exchange. The underwriters have advised the Issuing Entity that they intend to make a market in the Bonds, but they are not obligated to do so and may discontinue market making at any time without notice. The Issuing Entity cannot assure you that a liquid trading market will develop for the Bonds.

Various Types of Underwriter Transactions That May Affect the Price of the Bonds

The underwriters may engage in overallotment transactions, stabilizing transactions, syndicate covering transactions and penalty bids with respect to the Bonds in accordance with Regulation M under the Exchange Act. Overallotment transactions involve syndicate sales in excess of the offering size, which create a syndicate short position. Stabilizing transactions are bids to purchase the Bonds, which are permitted, so long as the stabilizing bids do not exceed a specific maximum price. Syndicate covering transactions involve purchases of the Bonds in the open market after the distribution has been completed in order to cover syndicate short positions. Penalty bids permit the underwriters to reclaim a selling concession from a syndicate member when the Bonds originally sold by the syndicate member are purchased in a syndicate covering transaction. These overallotment transactions, stabilizing transactions, syndicate covering transactions and penalty bids may cause the prices of the Bonds to be higher than they would otherwise be. None of the Issuing Entity, Consumers Energy, the Indenture Trustee, the Issuing Entity's Managers or

any of the underwriters represents that the underwriters will engage in any of these transactions or that these transactions, if commenced, will not be discontinued without notice at any time.

The underwriters and their affiliates have in the past provided, and may in the future from time to time provide, investment banking and general financing and banking services to Consumers Energy and its affiliates for which they have in the past received, and in the future may receive, customary fees. In addition, each underwriter may from time to time take positions in the Bonds. Citigroup Global Markets Inc., as structuring agent, has rendered certain structuring services to the Issuing Entity for which it was compensated. See "*Affiliations and Certain Relationships and Related Transactions*" in this prospectus. In accordance with FINRA Rule 5110, these amounts and the reimbursement of the structuring agent's expenses are deemed underwriting compensation in connection with the offering.

The Issuing Entity estimates that the total expenses of this offering will be $4,551,788. The Issuing Entity and Consumers Energy have agreed to indemnify the underwriters against some liabilities, including liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make in respect of those liabilities.

The underwriters are offering the Bonds, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters, including the validity of the Bonds and other conditions contained in the Underwriting Agreement, such as receipt of ratings confirmations, officer's certificates and legal opinions.

The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject offers in whole or in part.

The Issuing Entity expects to deliver the Bonds against payment for the Bonds on or about the date specified in the last paragraph of the cover page of this prospectus, which will be the fifth Business Day following the date of pricing of the Bonds. Since trades in the secondary market generally settle in two Business Days, purchasers who wish to trade Bonds prior to the second Business Day prior to settlement will be required, by virtue of the fact that the Bonds initially will settle in T+5, to specify alternative settlement arrangements to prevent a failed settlement.

AFFILIATIONS AND CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The Issuing Entity is a wholly-owned subsidiary of Consumers Energy. Consumers Energy is a wholly-owned subsidiary of CMS Energy.

One of the underwriters, Citigroup Global Markets Inc., also served as structuring agent to Consumers Energy in connection with the structuring of the Bonds and will be reimbursed its expenses for such services. In addition, an affiliate of Citigroup Global Markets Inc. is a lender under one of Consumers Energy's credit facilities.

The Bank of New York Mellon is the indenture trustee in connection with the Series 2014A Securitization Bonds issued by Consumers 2014 Securitization Funding LLC, which is a wholly-owned subsidiary of Consumers Energy. The Bank of New York Mellon is also the trustee under Consumers Energy's indenture dated as of September 1, 1945 pursuant to which Consumers Energy has issued first mortgage bonds.

The underwriters, the Indenture Trustee and their respective affiliates are party to lending, banking and other financial services arrangements with certain affiliates of Consumers Energy, including CMS Energy.

RATING INFORMATION

The Issuing Entity expects that the Bonds will be rated by two NRSROs, referred to in this prospectus as the Rating Agencies. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning Rating Agency. Each rating should be evaluated independently of any other rating. No Person is obligated to maintain the rating on any Bonds and, accordingly, the Issuing Entity can give no assurance that the ratings assigned to any tranche of Bonds upon initial issuance will not be lowered or withdrawn by a Rating Agency at any time thereafter. If a rating on any tranche of Bonds is lowered or withdrawn, the liquidity of such tranche of Bonds may be adversely affected. In general, ratings address credit risk and do not represent any assessment of any particular rate of principal payments on the Bonds other than the payment in full of the Bonds by the applicable Final Maturity Date, as well as the timely payment of interest.

Under Rule 17g-5 under the Exchange Act, any NRSRO providing the Servicer with the requisite certification will have access to all information posted on a website by the Servicer for the purpose of determining the initial rating and monitoring the rating after the issuance date in respect of the Bonds. As a result, a NRSRO other than the Rating Agencies may issue Unsolicited Ratings on the Bonds, which may be lower, and could be significantly lower, than the ratings assigned by the Rating Agencies. The Unsolicited Ratings may be issued prior to, or after, the issuance date in respect of the Bonds. Issuance of any Unsolicited Rating will not affect the issuance of the Bonds. Issuance of an Unsolicited Rating lower than the ratings assigned by the Rating Agencies on the Bonds might adversely affect the value of the Bonds and, for regulated entities, could affect the status of the Bonds as a legal investment or the capital treatment of the Bonds. Investors in the Bonds should consult with their legal counsel regarding the effect of the issuance of a rating by a NRSRO other than the Rating Agencies that is lower than the rating of the Rating Agencies.

A portion of the fees paid by the Issuing Entity to any Rating Agency is contingent upon the issuance of the Bonds. In addition to the fees paid by the Issuing Entity to such Rating Agency or Rating Agencies at closing, the Issuing Entity will pay a fee to such Rating Agency or Rating Agencies for ongoing surveillance for so long as the Bonds are outstanding. However, no Rating Agency is under any obligation to continue to monitor or provide a rating on the Bonds.

WHERE YOU CAN FIND MORE INFORMATION

This prospectus is part of a registration statement the Issuing Entity and Consumers Energy have filed with the SEC relating to the Bonds. This prospectus describes the material terms of some of the documents that have been filed or will be filed as exhibits to the registration statement. However, this prospectus does not contain all of the information contained in the registration statement and the exhibits. Information filed with the SEC can be inspected at the SEC's Internet site located at http://www.sec.gov.

You may also obtain a copy of filings with the SEC at no cost from Consumers Energy and the Issuing Entity by accessing the website of Consumers Energy's parent company, CMS Energy, at www.cmsenergy.com. The information contained on, or accessible from, CMS Energy's website is not a part of, and is not incorporated in, the registration statement of which this prospectus forms a part. You may also obtain a copy of our filings with the SEC at no cost, by writing to or telephoning the Issuing Entity at the following address:

Consumers 2023 Securitization Funding LLC
One Energy Plaza
Jackson, Michigan 49201
(517) 788-0550

The Issuing Entity or Consumers Energy as Depositor will also file with the SEC all periodic reports the Issuing Entity or the Depositor are required to file under the Exchange Act and the rules, regulations or orders of the SEC thereunder; however, neither the Issuing Entity nor Consumers Energy as Depositor intends to file any such reports relating to the Bonds following completion of the reporting period required by Rule 15d-1 or Regulation 15D under the Exchange Act, unless required by law. Unless specifically stated in the report, the reports and any information included in the report will neither be examined nor reported on by an independent public accountant. For a more detailed description of the information to be included in these periodic reports, please read "*Description of the Bonds — Website Disclosure*" in this prospectus.

INCORPORATION BY REFERENCE

The SEC allows the Issuing Entity and Consumers Energy to "incorporate by reference" into this prospectus information the Issuing Entity and Consumers Energy file with the SEC. This means disclosure of important information may be made by referring you to the documents containing the information. The information incorporated by reference is considered to be part of this prospectus, unless such information is updated or superseded by the information that the Issuing Entity or Consumers Energy files subsequently that is incorporated by reference into this prospectus.

To the extent that the Issuing Entity is required by law to file such reports and information with the SEC under the Exchange Act, the Issuing Entity will file annual and current reports and other information with the SEC. The Issuing Entity is incorporating by reference any future filings it or the Sponsor, but solely in its capacity as the Sponsor, makes with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act prior to the termination of the offering, excluding any information that is furnished to and not filed with the SEC. These reports will be filed under the Issuing Entity's name. Under the Indenture, the Issuing Entity may voluntarily suspend or terminate the filing obligations as issuing entity (under the SEC rules) with the SEC, to the extent permitted by applicable law.

The Issuing Entity is incorporating into this prospectus any future distribution report on Form 10-D, current report on Form 8-K or any amendment to any such report that the Issuing Entity or Consumers Energy, solely in its capacity as Depositor, make with the SEC until the offering of the Bonds is completed. These reports will be filed under the Issuing Entity's name. In addition, these reports will be posted on the website of Consumers Energy's parent company, CMS Energy, at www.cmsenergy.com. Any statement contained in this prospectus or in a document incorporated or deemed to be incorporated by reference in this prospectus will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus or in any separately filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes that statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute part of this prospectus.

INVESTMENT COMPANY ACT OF 1940 AND VOLCKER RULE MATTERS

The Issuing Entity will be relying on an exclusion or exemption from the definition of "investment company" under the 1940 Act contained in Rule 3a-7 promulgated under the 1940 Act, although there may be additional exclusions or exemptions available to the Issuing Entity. As a result of such exclusion, the Issuing Entity will not be subject to regulation as an "investment company" under the 1940 Act.

In addition, the Issuing Entity is being structured so as not to constitute a "covered fund" for purposes of the Volcker Rule under the Dodd-Frank Act, federal law prohibits a "banking entity" — which is broadly defined to include banks, bank holding companies and affiliates thereof — from engaging in proprietary trading or holding ownership interests in certain private funds. The definition of "covered fund" in the regulations adopted to implement the Volcker Rule includes (generally) any entity that would be an investment company under the 1940 Act but for the exemption provided under Section 3(c)(1) or 3(c)(7) thereunder. Because the Issuing Entity will rely on Rule 3a-7 promulgated under the 1940 Act, it will not be considered a "covered fund" within the meaning of the Volcker Rule regulations.

RISK RETENTION

This offering of Bonds is a public utility securitization exempt from the risk retention requirements imposed by Section 15G of the Exchange Act due to the exemption provided in Rule 19(b)(8) of Regulation RR.

For information regarding the requirements of the EU Securitization Regulation as to risk retention and other matters, please read "*Risk Factors — Other Risks Associated with the Purchase of the Bonds — Regulatory provisions affecting certain investors could adversely affect the liquidity and the regulatory treatment of investments in the Bonds*" in this prospectus.

LEGAL PROCEEDINGS

From time to time, the Issuing Entity and Consumers Energy may be subject to various legal proceedings and claims that arise in the course of their business activities. Although the results of litigation and claims cannot be predicted with certainty, as of the date of this prospectus, the Issuing Entity and Consumers Energy do not believe they or the Indenture Trustee are party to any claim or litigation, the outcome of which, if determined adversely to the Issuing Entity, Consumers Energy or the Indenture Trustee, would individually or in the aggregate be reasonably expected to be material to Holders. Regardless of the outcome, litigation can have an adverse impact on the Issuing Entity and Consumers Energy because of defense and settlement costs, diversion of management resources and other factors.

LEGAL MATTERS

Certain legal matters relating to the Bonds, including certain U.S. federal income tax matters, will be passed on by Pillsbury Winthrop Shaw Pittman LLP, New York, New York, counsel to Consumers Energy and the Issuing Entity. Certain other legal matters relating to the Bonds will be passed on by Miller Canfield Paddock and Stone, P.L.C., Detroit, Michigan, Michigan counsel to Consumers Energy and the Issuing Entity, by Richards, Layton & Finger, P.A., Wilmington, Delaware, special Delaware counsel to the Issuing Entity, and by Hunton Andrews Kurth LLP, New York, New York, counsel to the underwriters. Pillsbury Winthrop Shaw Pittman LLP has acted and is expected to act as counsel to the underwriters of other securities issued by Consumers Energy and CMS Energy from time to time. Hunton Andrews Kurth LLP has acted and may in the future act as counsel to Consumers Energy on unrelated matters.

GLOSSARY

As used in this prospectus the terms below have the following meanings:

"**1940 Act**" means the Investment Company Act of 1940, as amended.

"**Administration Agreement**" means the administration agreement to be entered into between Consumers Energy and the Issuing Entity, as the same may be amended and supplemented from time to time.

"**Administrator**" means Consumers Energy, as Administrator under the Administration Agreement, or any successor Administrator to the extent permitted under the Administration Agreement.

"**Affiliate Wheeling**" means a person's use of direct access service where an electric utility delivers electricity generated at a person's industrial site to that person or that person's affiliate at a location, or general aggregated locations, within the State of Michigan that was either one of the following:

- for at least 90 days during the period from January 1, 1996 to October 1, 1999, supplied by Self-Service Power, but only to the extent of the capacity reserved or load served by Self-Service Power during the period; or
- capable of being supplied by a person's cogeneration capacity within the State of Michigan that has had since January 1, 1996 a rated capacity of 15 megawatts or less, was placed in service before December 31, 1975 and has been in continuous service since that date.

The term affiliate for purposes of this definition means a person or entity that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with another specified entity, where control means, whether through an ownership, beneficial, contractual or equitable interest, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a person or entity or the ownership of at least 7% of an entity either directly or indirectly.

"**Application**" means Consumers Energy's application for a financing order filed with the MPSC pursuant to the Statute in MPSC Docket No. U-20889.

"**Bankruptcy Code**" means Title 11 of the United States Code, as amended from time to time.

"**Basic Documents**" means the Indenture, the Administration Agreement, the Sale Agreement and the Bill of Sale, the certificate of formation of the Issuing Entity, the LLC Agreement, the Servicing Agreement, the Series Supplement, the Intercreditor Agreement, the Letter of Representations, the Underwriting Agreement and all other documents and certificates delivered in connection therewith.

"**Bill of Sale**" means the bill of sale delivered pursuant to the Sale Agreement.

"**Bonds**" means, unless the context requires otherwise, the Senior Secured Securitization Bonds, Series 2023A offered pursuant to this prospectus.

"**Business Day**" means any day other than a Saturday, a Sunday or a day on which banking institutions in Detroit, Michigan, Jackson, Michigan or New York, New York are, or DTC or the corporate trust office of the Indenture Trustee is, authorized or obligated by law, regulation or executive order to be closed.

"**Capital Subaccount**" means the subaccount of the Collection Account that will be funded by Consumers Energy on or prior to the issuance of the Bonds through a capital contribution in an amount equal to 0.50% of the initial aggregate principal amount of the Bonds issued (the Required Capital Level).

"**Clearing Agency**" means an organization registered as a "clearing agency" pursuant to Section 17A of the Exchange Act.

"**Clearstream**" means Clearstream Banking, Luxembourg, S.A.

"**CMS Energy**" means CMS Energy Corporation, a Michigan corporation, which is Consumers Energy's parent company.

"**Code**" means the Internal Revenue Code of 1986, as amended.

"**Collateral**" means all of the Issuing Entity's right, title and interest (whether owned on the issuance date or thereafter acquired or arising) in and to the following property in which the Issuing Entity, as assignee of the Seller, will grant the Indenture Trustee a security interest:

- the Securitization Property created under and pursuant to the Financing Order and the Statute, and transferred by the Seller to the Issuing Entity pursuant to the Sale Agreement (including, to the fullest extent permitted by law, the right to impose, collect and receive the Securitization Charges, the right to obtain True-Up Adjustments, and all revenue, collections, payments, money and proceeds arising out of the rights and interests created under the Financing Order);
- all Securitization Charges related to the Securitization Property;
- the Sale Agreement and the Bill of Sale executed in connection therewith and all property and interests in property transferred under the Sale Agreement and the Bill of Sale with respect to the Securitization Property and the Bonds;
- the Servicing Agreement, the Administration Agreement, the Intercreditor Agreement and any subservicing, agency, administration or collection agreements executed in connection therewith, to the extent related to the foregoing Securitization Property and the Bonds;
- the Collection Account (including all subaccounts thereof) and all amounts of cash, instruments, investment property or other assets on deposit therein or credited thereto from time to time and all financial assets and securities entitlements carried therein or credited thereto;
- all rights to compel the Servicer to file for and obtain True-Up Adjustments to the Securitization Charges in accordance with the Statute and the Financing Order;
- all present and future claims, demands, causes and choses in action in respect of any or all of the foregoing, whether such claims, demands, causes and choses in action constitute Securitization Property, accounts, general intangibles, instruments, contract rights, chattel paper or proceeds of such items or any other form of property;
- all accounts, chattel paper, deposit accounts, documents, general intangibles, goods, instruments, investment property, letters of credit, letters-of-credit rights, money, commercial tort claims and supporting obligations related to the foregoing; and
- all payments on or under and all proceeds in respect of any or all of the foregoing.

The Collateral does not include:

- cash that has been released pursuant to the terms of the Indenture; or
- amounts deposited with the Issuing Entity on the issuance date, for payment of costs of issuance with respect to the Bonds (together with any interest earnings thereon).

"**Collection Account**" means the segregated trust account (including each of the subaccounts contained therein) relating to the Bonds designated as the collection account and held pursuant to the Indenture.

"**Consumers Energy**" means Consumers Energy Company, a Michigan corporation, a wholly-owned subsidiary of CMS Energy.

"**Covenant Defeasance Option**" has the meaning specified under "*Description of the Bonds — The Issuing Entity's Legal and Covenant Defeasance Options*" in this prospectus.

"**Current ROA Customers**" means customers taking ROA service from Consumers Energy as of December 17, 2020 to the extent that those ROA customers remain, without transition to bundled service, on Consumers Energy's retail choice program.

"**Customers**" means all existing and future retail electric distribution customers of Consumers Energy or its successors, excluding customers:

- to the extent they obtain or use Self-Service Power;
- to the extent engaged in Affiliate Wheeling; and

- who are Current ROA Customers.

"**Depositor**" means Consumers Energy in its capacity as depositor of the Bonds.

"**Dodd-Frank Act**" means the Dodd-Frank Wall Street Reform and Consumer Protection Act.

"**DTC**" means The Depository Trust Company.

"**EEA Retail Investor**" has the meaning specified under "*Offering Restrictions in Certain Jurisdictions — Notice to Residents of the European Economic Area*" in this prospectus.

"**Eligible Institutions**" has the meaning specified under "*Security for the Bonds — Description of Indenture Accounts — Collection Account*" in this prospectus.

"**Eligible Investments**" has the meaning specified under "*Security for the Bonds — Description of Indenture Accounts — Eligible Investments for Funds in the Collection Account*" in this prospectus.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended.

"**EU Securitization Regulation**" means European legislation comprising Regulation (EU) 2017/2402, as amended.

"**Euroclear**" means Euroclear Bank SA/NV, as operator of the Euroclear System.

"**European Securitization Rules**" has the meaning specified under "*Risk Factors — Other Risks Associated with the Purchase of the Bonds — Regulatory provisions affecting certain investors could adversely affect the liquidity and the regulatory treatment of investments in the Bonds*" in this prospectus.

"**EUWA**" means the European Union (Withdrawal) Act 2018, as amended.

"**Event of Default**" has the meaning specified under "*Description of the Bonds — Events of Default; Rights Upon Event of Default*" in this prospectus.

"**Excess Funds Subaccount**" means the subaccount of the Collection Account into which funds collected by the Servicer in excess of amounts necessary to make payments specified on a given Payment Date are allocated.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

"**Final Maturity Date**" means, with respect to each tranche of Bonds, the applicable final maturity date therefor as specified in the Series Supplement.

"**Financing Order**" means, unless the context indicates otherwise, the financing order issued by the MPSC to Consumers Energy on December 17, 2020, Case No. U-20889, authorizing the creation of the Securitization Property. Consumers Energy unconditionally accepted all conditions and limitations requested by such order in a letter dated January 7, 2021 from Consumers Energy to the MPSC.

"**Financing Party**" means a Holder, including trustees, collateral agents, and other persons acting for the benefit of the Holder.

"**FSMA**" means the Financial Services And Markets Act 2000, as amended.

"**General Subaccount**" means the subaccount of the Collection Account that will hold all funds held in the Collection Account that are not held in the other two subaccounts of the Collection Account.

"**Governmental Authority**" means any nation or government, any U.S. federal, state, local or other political subdivision thereof and any court, administrative agency or other instrumentality or entity exercising executive, legislative, judicial, regulatory or administrative functions of government.

"**GWh**" means gigawatt-hours.

"**Hired NRSROs**" means the NRSROs hired by the Sponsor.

"**Holder**" means a registered holder of the Bonds.

"**Indemnified Person**" means the Indenture Trustee and its officers, directors, employees and agents.

"**Indenture**" means the indenture, to be entered into between the Issuing Entity and The Bank of New York Mellon, as Indenture Trustee, as securities intermediary and as account bank, with respect to the issuance of the Bonds, as the same may be amended and supplemented from time to time.

"**Indenture Trustee**" means The Bank of New York Mellon.

"**Indirect Participants**" has the meaning specified under "*Description of the Bonds — Bonds Will Be Issued in Book-Entry Form — The Function of DTC*" in this prospectus.

"**Initial Other Qualified Costs**" means the initial other Qualified Costs in the amount of up to $10,600,000 approved in the Financing Order.

"**Initial Servicer**" means Consumers Energy in its capacity as initial Servicer.

"**Intercreditor Agreement**" means the intercreditor agreement to be entered into upon or prior to the issuance of the Bonds among the Issuing Entity, the Indenture Trustee, the Servicer, Consumers 2014 Securitization Funding LLC and the trustee for the Series 2014A Securitization Bonds, and any subsequent such agreement.

"**IRS**" means the Internal Revenue Service.

"**Issuing Entity**" means Consumers 2023 Securitization Funding LLC, a Delaware limited liability company.

"**kWh**" means kilowatt-hours.

"**Legal Defeasance Option**" has the meaning specified under "*Description of the Bonds — The Issuing Entity's Legal and Covenant Defeasance Options*" in this prospectus.

"**Letter of Representations**" means any applicable agreement between the Issuing Entity and the applicable Clearing Agency, with respect to such Clearing Agency's rights and obligations (in its capacity as a Clearing Agency) with respect to any Bond issued in book-entry form.

"**LLC Agreement**" means the Amended and Restated Limited Liability Company Agreement of Consumers 2023 Securitization Funding LLC, to be dated as of the issuance date.

"**Manager**" means each manager of the Issuing Entity under the LLC Agreement.

"**Michigan UCC**" means the Michigan Uniform Commercial Code codified in Public Act 174 of 1962, as amended; MCL 440.1101 *et seq.*

"**Monthly Servicer's Certificate**" means a written report delivered by the Servicer to the Issuing Entity, the Indenture Trustee and the Rating Agencies not later than 15 days after the end of each month after the Bonds are issued.

"**Moody's**" means Moody's Investors Service, Inc. References to Moody's are effective so long as Moody's is a Rating Agency.

"**MPSC**" means the Michigan Public Service Commission.

"**MPSC Regulations**" means all regulations, rules, tariffs and laws applicable to public utilities or Bonds, as the case may be, and promulgated by, enforced by or otherwise within the jurisdiction of the MPSC.

"**MWh**" means megawatt-hours.

"**Nonbypassable**" means that the payment of the Securitization Charges must be paid by a retail electric distribution customer, regardless of the identity of the retail electric distribution customer's electric generation supplier.

"**Non-United States Holder**" means a beneficial owner of a Bond that is neither a United States Holder nor a partnership (or other pass-through entity).

"**NRSRO**" means a nationally recognized statistical rating organization.

"**Ongoing Other Qualified Costs**" means the Qualified Costs arising from time to time from the issuance of the Bonds that will be payable from Securitization Charge collections on an ongoing basis over the transaction's life, and includes, among other things, servicing fees, trustee fees, legal fees, administrative fees, rating agency and related fees (i.e. website provider fees), independent Manager fees, SEC reporting expenses, auditor expenses relating to the Bonds and other operating expenses incurred by, or on behalf of, the Issuing Entity; provided, however, that Ongoing Other Qualified Costs do not include the Issuing Entity's costs of issuance of the Bonds and Consumers Energy's costs of retiring existing debt and equity securities.

"**Paying Agent**" means, with respect to the Indenture, the Indenture Trustee and any other Person appointed as a paying agent for the Bonds pursuant to the Indenture.

"**Payment Date**" means the date or dates on which interest and principal are to be payable on any tranche of the Bonds.

"**Person**" means any individual, corporation, limited liability company, estate, partnership, joint venture, association, joint stock company, trust (including any beneficiary thereof), unincorporated organization or Governmental Authority.

"**Plan Asset Regulations**" means United States Department of Labor regulations at 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA.

"**Prospectus Regulation**" means Regulation (EU) 2017/1129, as amended.

"**PTCE**" means a prohibited transaction class exemption of the United States Department of Labor.

"**Qualified Costs**" means the qualified costs as defined in Section 10h(g) of the Statute allowed to be recovered by Consumers Energy under the Financing Order.

"**Rating Agency**" means any of Moody's or S&P that provides a rating with respect to any tranche of the Bonds. If no such organization (or successor) is any longer in existence, Rating Agency shall be a NRSRO or other comparable Person designated by the Issuing Entity, notice of which designation shall be given to the Indenture Trustee and the Servicer.

"**Rating Agency Condition**" means, with respect to any action, at least ten Business Days' prior written notification to each Rating Agency of such action, and written confirmation from each of S&P and Moody's to the Issuing Entity and the Indenture Trustee in writing that such action will not result in a suspension, reduction or withdrawal of the then current rating by such Rating Agency of any tranche of the Bonds; provided, that, if within such ten Business Day period, any Rating Agency (other than S&P) has neither replied to such notification nor responded in a manner that indicates that such Rating Agency is reviewing and considering the notification, then:

- the Issuing Entity shall be required to confirm that such Rating Agency has received the Rating Agency Condition request and, if it has, promptly request the related Rating Agency Condition confirmation; and
- if the Rating Agency neither replies to such notification nor responds in a manner that indicates it is reviewing and considering the notification within five Business Days following such second request, the applicable Rating Agency Condition requirement shall not be deemed to apply to such Rating Agency.

For the purposes of this definition, any confirmation, request, acknowledgment or approval that is required to be in writing may be in the form of electronic mail or a press release (which may contain a general waiver of a Rating Agency's right to review or consent).

"**Record Date**" means one Business Day immediately prior to the applicable Payment Date.

"**Regulation AB**" means the SEC's Asset Backed Securities regulations under 17 CFR Part 229, Subpart 229.1100 *et seq.*

"**Regulation RR**" means the risk retention regulations in 17 C.F.R. Part 246 of the Exchange Act.

"**Required Capital Level**" means the amount of capital required to be funded in the Capital Subaccount, which will equal 0.50% of the initial aggregate principal amount of the Bonds issued.

"**ROA**" means retail open access.

"**S&P**" means S&P Global Ratings, a division of S&P Global Inc., or any successor thereto. References to S&P are effective so long as S&P is a Rating Agency.

"**Sale Agreement**" means the Securitization Property Purchase and Sale Agreement to be entered into between Consumers Energy, as Seller, and the Issuing Entity, and acknowledged and accepted by the Indenture Trustee, with respect to the sale of the Securitization Property to the Issuing Entity, as the same may be amended and supplemented from time to time.

"**Scheduled Final Payment Date**" means the date or dates when all interest and principal is scheduled to be paid with respect to a tranche of the Bonds in accordance with the expected amortization schedule.

"**SEC**" means the Securities and Exchange Commission.

"**Securities Act**" means the Securities Act of 1933, as amended.

"**Securitization Charges**" means Nonbypassable amounts to be charged for the use or availability of electric services, approved by the MPSC under the Financing Order to fully recover Qualified Costs, that shall be collected by Consumers Energy, its successors, an assignee or other collection agents as provided in the Financing Order.

"**Securitization Property**" means the rights and interests of Consumers Energy, or its successor, under the Financing Order, including:

- the right to impose, collect, and receive securitization charges in an amount necessary to allow for the full recovery of all Qualified Costs;
- the right to obtain True-Up Adjustments of securitization charges under Section 10k(3) of the Statute; and
- all revenue, collections, payments, money, and proceeds arising out of the rights and interests described under Section 10(j) of the Statute.

"**Securitization Rate Classes**" has the meaning specified under "*The Statute and the Financing Order — Allocation of Payment Responsibility Among Customer Classes*" in this prospectus.

"**Self-Service Power**" means:

- electricity generated and consumed at an industrial site or contiguous industrial site or single commercial establishment or single residence without the use of an electric utility's transmission and distribution system; or
- electricity generated primarily by the use of by-product fuels, including waste water solids, which electricity is consumed as part of a contiguous facility, with the use of an electric utility's transmission and distribution system, but only if the point or points of receipt of the power within the facility are not greater than three miles distant from the point of generation.

A site or facility with load existing on the effective date of the Statute that is divided by an inland body of water or by a public highway, road or street but that otherwise meets this definition meets the contiguous requirement of this definition regardless of whether self-service power was being generated on the effective date of the Statute. A commercial or industrial facility or single residence that meets the requirements of the first bullet point above or the second bullet point above meets this definition whether or not the generation facility is owned by an entity different from the owner of the commercial or industrial site or single residence.

"**Seller**" means Consumers Energy in its capacity as seller.

"**Semi-Annual Servicer's Certificate**" means a written report delivered by the Servicer to the Issuing Entity, the Indenture Trustee and the Ratings Agencies, no later than five Servicer Business Days prior to each Payment Date or Special Payment Date.

"**Series 2014A Securitization Bonds**" means the Senior Secured Securitization Bonds, Series 2014A issued on July 22, 2014 by Consumers 2014 Securitization Funding LLC, which is a wholly-owned subsidiary of Consumers Energy, in the initial aggregate principal amount of $378,000,000.

"Series Supplement" means the indenture supplemental to the Indenture that authorizes the issuance of the Bonds.

"**Servicer**" means Consumers Energy, acting as the servicer, and any successor or assignee servicer, which will service the Securitization Property under the Servicing Agreement with the Issuing Entity.

"**Servicer Business Day**" means any day other than a Saturday, a Sunday or a day on which banking institutions in Detroit, Michigan, Jackson, Michigan or New York, New York are authorized or obligated by law, regulation or executive order to be closed, on which the Servicer maintains normal office hours and conducts business.

"**Servicer Default**" has the meaning specified under "*The Servicing Agreement — Servicer Defaults*" in this prospectus.

"**Servicing Agreement**" means the Securitization Property Servicing Agreement to be entered into between the Issuing Entity and Consumers Energy, and acknowledged and accepted by the Indenture Trustee, pursuant to which Consumers Energy will act as Servicer of the Securitization Property, as the same may be amended and supplemented from time to time.

"**Similar Law**" means laws that are similar to the fiduciary responsibility provisions of Title I of ERISA or the prohibited transaction provisions of Title I of ERISA or Section 4975 of the Code.

"**Special Payment Date**" means the date on which any payment of principal of or interest (including any interest accruing upon default) on, or any other amount in respect of, the Bonds that is not actually paid within five days of the Payment Date applicable thereto is to be made by the Indenture Trustee to the Holders.

"**Sponsor**" means Consumers Energy in its capacity as sponsor.

"**State Pledge**" means the pledge of the State of Michigan pursuant to the Statute whereby the State of Michigan has pledged, for the benefit and protection of the Financing Parties and Consumers Energy, that it will not take or permit any action that would impair the value of Securitization Property, reduce, or alter, except as allowed under the Statute (relating to True-Up Adjustments), or impair the Securitization Charges to be imposed, collected, and remitted to Financing Parties until the principal, interest and premium, if any, and any other charges incurred and contracts performed in connection with the Bonds have been paid and performed in full.

"**Statute**" means the laws of the State of Michigan adopted in June 2000 enacted as 2000 PA 142, which amended Public Act 3 of 1939, MCL 460.1 *et seq*.

"**True-Up Adjustment**" means a periodic adjustment to the Securitization Charges pursuant to the True-Up Mechanism.

"**True-Up Mechanism**" means the mechanism required by the Statute and authorized by the Financing Order whereby the Servicer will apply to the MPSC for adjustments to the Securitization Charges based on actual collected Securitization Charges and updated assumptions by the Servicer as to future collections of Securitization Charges.

"**Trust Indenture Act**" means the Trust Indenture Act of 1939, as amended, as in force on the issuance date, unless otherwise specifically provided.

"**UCC**" means the Uniform Commercial Code, as in effect in the relevant jurisdiction.

"**UK Prospectus Regulation**" means the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA.

"**UK Securitization Regulation**" means the Securitisation (Amendment) (EU Exit) Regulations 2019, and as further amended from time to time.

"**UK Securitization Rules**" has the meaning specified under "*Risk Factors — Other Risks Associated with the Purchase of the Bonds — Regulatory provisions affecting certain investors could adversely affect the liquidity and the regulatory treatment of investments in the Bonds*" in this prospectus.

"**Underwriting Agreement**" means the Underwriting Agreement to be entered into among Consumers Energy, the representatives of the underwriters named therein and the Issuing Entity, with respect to the sale of the Bonds.

"**United States Holder**" has the meaning specified under "*Material United States Federal Income Tax Consequences*" in this prospectus.

"**Unsolicited Ratings**" means ratings on the Bonds issued by an NRSRO other than a Hired NRSRO.

"**Volcker Rule**" means the Volcker Rule under the Dodd-Frank Act.

$646,000,000 SENIOR SECURED SECURITIZATION BONDS, SERIES 2023A

CONSUMERS ENERGY COMPANY

Sponsor, Depositor and Initial Servicer

CONSUMERS 2023 SECURITIZATION FUNDING LLC

Issuing Entity

PROSPECTUS

Sole Book-Running Manager

Citigroup

Co-Managers

RBC Capital Markets
SMBC Nikko
Drexel Hamilton
Ramirez & Co., Inc.

Through and including March 4, 2024 (the 90th day after the date of this prospectus), all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and when offering an unsold allotment or subscription.

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of **CONSUMERS ENERGY COMPANY** for a Financing Order Approving the Securitization of Qualified Costs.	)))))	Case No. U-20889

PROOF OF SERVICE

STATE OF MICHIGAN)
) SS
COUNTY OF JACKSON)

Crystal L. Chacon, being first duly sworn, deposes and says that she is employed in the Legal Department of Consumers Energy Company; that on December 6, 2023, she served an electronic copy of **Consumers Energy Company's Form 8-K and Prospectus** upon the persons listed in Attachment 1 hereto, at the e-mail addresses listed therein.

Crystal L. Chacon

Crystal L. Chacon

Subscribed and sworn to before me this 6th day of December, 2023.

Melissa K. Harris

Melissa K. Harris, Notary Public
State of Michigan, County of Jackson
My Commission Expires: 06/11/2027
Acting in the County of Jackson

ATTACHMENT 1 TO CASE NO. U-20889

Administrative Law Judge

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